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SECURITY POLICY IN THE POST-COLD WAR ERA

by
JOSEPH R. CHIARAVALLOTTI

June 1993

Thesis Advisor:

Claude A. Buss

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SOUTHEAST ASIAN PERCEPTIONS OF U.S. SECURITY POLICY IN
THE POST-COLD WAR ERA

by

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Lieutenant, United States Navy
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Submitted in Partial Fulfillment of the
Requirements for the Degree of

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ABSTRACT

The end of the Cold War has changed the political environment in Southeast Asia and the parameters in which United States policy makers previously worked within are no longer the same. The United States' strategies are based on assumptions of how the rest of the world perceives it, but the views of other nations may not concur with the United States policy makers' assumptions. This thesis is concerned with the United States policy in Southeast Asia and brings to light the Southeast Asians' perceptions of the issues in which the United States is formulating its national security policies; how the negative perceptions differ from American assumptions; and offer suggestions on how to deal with the differences.

The aim of this thesis is to provide security policy makers with information that could be used in exercising judgment to find solutions to current, and prospective, policy problems in Southeast Asia. It produces policy-relevant information that may be used to resolve specific policy problems and pursue preferable courses of action in the region. This thesis shows a single policy towards Southeast Asia is misguided. Each state in the region has its own interests, and American policies must be formulated with each individual state, one by one.

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EXECUTIVE SUMMARY

The end of the Cold War has changed the political environment in Southeast Asia and the parameters in which United States policy makers previously worked within are no longer the same. The United States' strategies are based on assumptions of how the rest of the world perceives it, but the views of other nations may not concur with the United States policy makers' assumptions. This thesis is concerned with the United States policy in Southeast Asia and brings to light the Southeast Asians' perceptions of the issues in which the United States is formulating its national security policies; how the negative perceptions differ from American assumptions; and offer suggestions on how to deal with the differences.

The aim of this thesis is to provide security policy makers with information that could be used in exercising judgment to find solutions to current, and prospective, policy problems in Southeast Asia. It produces policy-relevant information that may be used to resolve specific policy problems and pursue preferable courses of action in the region. This thesis shows a single policy towards Southeast Asia is misguided. Each state in the region has its own interests, and American policies must be formulated with each individual state, one by one.

Post-Cold War U.S. security policy documents stress that in modern history no democratic governments have ever gone to war with each other. This may be true, but it should not be assumed that democratic governments

will never resort to using military force against each other in the future. A more sound policy assumption is: a government will be more reluctant to use military force against another government with which it shares common national interests.

In the post-Cold War era, all of the Southeast Asian states have declared that economic success is their number one priority. Southeast Asia already is one of the most economically successful regions in the world. This region-wide concentration on economic prosperity should be of interest to U.S. policy makers, because it is making the national interests of individual Southeast Asian countries more aligned with each other. American security policy makers should focus on this aspect of regional concerns to implement U.S. policy in the region. Bringing the non-ASEAN states into the Southeast Asian economic design will do more for regional stability than overthrowing the remaining communist governments in the region. The post-Cold War trend in Southeast Asia of placing economic concerns above all others should indicate to American security policy makers that the United States should place more emphasis on economic involvement in the region, and less emphasis on a dominant military presence and the consideration of forming security alliances within the region.

LIST OF ABBREVIATIONS

| | |
|-----------|------------------------------------------------------------------------------|
| AFP | Armed Forces of the Philippines |
| AFTA | ASEAN Free Trade Area |
| APEC | Asia Pacific Economic Cooperation |
| ASEAN | Association of Southeast Asian Nations |
| BNPP | Bataan Nuclear Power Plant |
| BSPP | Burma Socialist Program Party |
| CPB | Communist Party of Burma |
| CSCA | Conference on Security and Cooperation in Asia |
| CSCE | Conference on Security and Cooperation in Europe |
| DAB | Democratic Alliance of Burma |
| EAEC | East Asian Economic Caucus |
| EAEG | East Asian Economic Group |
| EC | European Community |
| EEZ | Exclusive Economic Zones |
| FPDA | Five Power Defense Arrangement |
| FUNCINPEC | United National Front for an Independent, Peaceful, and Cooperative Cambodia |
| GATT | General Agreement on Tariffs and Trade |
| GDP | Gross Domestic Product |
| GSP | General System of Preferences |
| IMF | International Monetary Fund |
| JMSDF | Japanese Maritime Self Defense Force |
| KIA | Kachin Independence Army |
| KNU | Karen National Union |
| KPNLF | Khmer People's National Liberation Front |
| KR | Khmer Rouge |
| LPDR | Lao People's Democratic Republic |
| LPRP | Lao People's Revolutionary Party |
| MAI | Multilateral Aid Initiative |
| MDT | Mutual Defense Treaty |
| MFN | Most Favored Nation |
| MIA | Missing In Action |
| MOU | Memorandum Of Understanding |
| NAFTA | North American Free Trade Area |
| NAM | Non-Aligned Movement |
| NIC | Newly Industrialized Country |
| NLD | National League for Democracy |
| NLHS | Neo Lao Hak Sat |

| | |
|---------|------------------------------------------|
| NM | nautical mile |
| PAP | People's Action Party |
| PDI | Indonesian Democratic Party |
| PPP | United Development Party |
| RAM | Reform the Armed Forces Movement |
| RBAF | Royal Brunei Armed Forces |
| RMA | Royal Malaysian Army |
| RMAF | Royal Malaysian Air Force |
| RMN | Royal Malaysian Navy |
| SEANWFZ | Southeast Asia Nuclear Weapons-Free Zone |
| SLOC | Sea Lines of Communication |
| SLORC | State Law and Order Restoration Council |
| SNC | Supreme National Council |
| SOC | State of Cambodia |
| SPA | Supreme People's Assembly |
| UMNO | United Malays National Organization |
| UNTAC | U.N. Transitional Authority in Cambodia |
| USTR | U.S. Trade Representative |
| VCP | Vietnam Communist Party |
| ZOPFAN | Zone of Peace, Freedom, and Neutrality |

I. INTRODUCTION

The end of the Cold War has changed the political environment in Southeast Asia, and the parameters in which United States policy makers previously worked within are no longer the same. The United States' strategies are based on assumptions of how the rest of the world perceives it, but the views of other nations may not concur with the United States policy makers' assumptions. This thesis is concerned with the United States policy in Southeast Asia and will bring to light the Southeast Asians' perceptions of the issues in which the United States is formulating its national security policies; how they differ from American assumptions; and offer suggestions on how to deal with the differences.

The United States' national security strategy is broken down into the categories of military, economic, and political assumptions. The first military assumption is that the U.S. military presence provides stability in East Asia. U.S. security policy makers maintain that "our engagement in the Asia-Pacific region is critical to the security and stability of the region."¹

The second military assumption is that nondemocratic regimes may pose a potential threat to U.S. interests. Defense policy makers state: "...we have not eliminated age-old temptations for nondemocratic powers to turn to force or intimidation to achieve their ends."²

¹ Department of Defense, *A Strategic Framework for the Asian Pacific Rim*, November 1992, p. 28.

² Secretary of Defense, *Defense Strategy for the 1990s: The Regional Defense Strategy*, January 1993, p. 2.

One aspect of the United States post-Cold War strategy is to maintain forward deployed forces throughout the regions of the world. The United States is assuming that these deployments will be welcomed by our friends and allies.³ Thus, the third military assumption is that a "strong" United States military position is welcomed by leaders throughout the Southeast Asian region.⁴

The fourth military assumption concerns the "power vacuum" concept. The assumption is that if the United States were to completely withdraw its military presence from East Asia, then a vacuum could be created and another power could take the United States' place. Therefore, a U.S. military withdrawal from Southeast Asia may produce conditions conducive for a "power vacuum."⁵

The United States' national security economic assumptions concern U.S. economic involvement, economic influence and nondemocratic economic performance. The first economic assumption is that United States economic involvement in Southeast Asia enhances the United States' influence in the region.⁶ The second economic assumption is that Southeast Asians are drawn to the United States by economic ties.⁷ The third economic assumption is that

³ The United States' "friends and allies" in Southeast Asia are: Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand.

⁴ Secretary of Defense, *Defense Strategy for the 1990s: The Regional Defense Strategy*, p. 22.

⁵ *Ibid.*, p. 5.

⁶ Department of Defense, *A Strategic Framework for the Asian Pacific Rim*, p. 4.

⁷ *Ibid.*, p. 2.

nondemocratic regimes are incapable of sustained economic reform without moving towards political pluralism.⁸

The United States' national security political assumptions concern alliances, American leadership, and human rights and democracy issues. The first political assumption is that the United States will be able to strengthen and expand its system of alliances. U.S. policy makers state that alliances are "integral" to the United States' post-Cold War strategy.⁹ "In the long run, preserving and expanding these alliances and friendships will be as important as the successful containment of the former Soviet Union or the Coalition defeat of Iraq."¹⁰ This strategy is dependent on the United States' friends and allies willingness to have their alliances and defense arrangements with the United States strengthened.

The second political assumption is based on the objective of building an international environment conducive to American values. The United States' post-Cold War strategy is to, together with our allies, "work to build an international environment conducive to our values."¹¹ This objective assumes that the United States' friends and allies will want to build an international environment conducive to American values.

The third political assumption is that democratic countries in East Asia will support the United States in providing leadership for encouraging cooperation in the region. U.S. policy makers feel the United States has the

⁸ Ibid., p. 10.

⁹ Ibid., p. 3.

¹⁰ Ibid.

¹¹ Secretary of Defense, *Defense Strategy for the 1990s: The Regional Defense Strategy*, p. 1.

opportunity to "show the leadership necessary to encourage sustained cooperation among democratic powers."¹² This United States' strategy assumes that the United States' friends and allies desire the United States to "provide the leadership needed to promote global peace and security."¹³

U.S. security policy stresses the advance of "democracy, freedom, and human rights in the countries of the region that lack them."¹⁴ The fourth political assumption is that Southeast Asian countries share the United States' objectives of democratization and the protection of human rights.¹⁵

The question posed by this thesis is: Is the United States' post-Cold War security strategy in Southeast Asia based on correct assumptions?

The hypothesis of this thesis is: if Southeast Asian perceptions are different from what American policy makers believe them to be, then the assumptions that the United States' is basing its post-Cold War security strategy on are incorrect.

The methodology to be used is normative. The level of analysis is the nation-state level with in Southeast Asia. The United States' assumptions listed above will be compared to the concerns and perceptions of each Southeast Asian country to which each assumption applies. The aim of this thesis is to provide policy makers with information that could be used in exercising judgment to find solutions to current, and prospective, policy

¹² Ibid., p. 3.

¹³ Chairman, Joints Chiefs of Staff, *The National Military Strategy of the United States*, January 1992, p. 6.

¹⁴ Secretary of Defense, *Defense Strategy for the 1990s: The Regional Defense Strategy*, p. 22.

¹⁵ Department of Defense, *A Strategic Framework for the Asian Pacific Rim*, p. 6.

problems in Southeast Asia. It will produce policy-relevant information that may be used to resolve specific policy problems and pursue preferable courses of action in the region.

II. MILITARY CONCERNS

An American military presence is still desired by most East Asian governments as insurance against instability in the region (Bosworth, 1993: 107; Neher, 1991: chap. 2; Oxnam, 1993: 58). However, many leaders in the region feel that a dominant American military presence is no longer necessary. Some Americans believe East Asians view the United States as the only power that can provide a stabilizing force in the region because United States military presence relieves others of the burden of establishing a regional hegemony (Crowe and Romberg, 1991: 124). This belief has overtones of Cold War policy making. The spread of communism was the monolithic threat for Southeast Asians during the Cold War. The threat of communism presented itself in two forms—regional penetration by the Soviet Union and by externally sponsored communist insurgency. The Soviet Union no longer exists as a political entity, and with the exception of the Philippines, the countries of ASEAN face a minimal insurgency problem, mostly because of their economic achievements (Stubbs, 1992).

Most Southeast Asian security concerns are linked to economic considerations. Countries in the region are focused on insuring that the ability to conduct external trade is maintained by keeping open the Sea Lines of Communications (SLOCs) in the South China Sea, and protecting their economic interests in their respective Exclusive Economic Zones (EEZ). The trends in the types of arms build up characterizes the shift by countries in the

region from counterinsurgency to conventional warfare. Many countries are upgrading their naval and air forces and paying less attention to ground forces (Johnston, 1992: 105).

East Asians are worried that a sudden withdrawal of United States military forces would create a power vacuum in the region (Bosworth, 1993: 107; Crowe and Romberg, 1991; Oxnam, 1993: 62). The countries in Southeast Asia that are the strongest advocates of the power, or security, vacuum concept are also the smallest or least militarily capable countries in the region. The ASEAN country geographically closest to China, Thailand, is one that most opposes the power vacuum concept.

Power vacuum proponents also point to Japan as a source of instability. A common theory is that if the United States was to no longer protect the SLOCs between the Middle East and Japan, then Japan's national interests would be threatened. This, in turn, would prompt Japan to break from its self-imposed deployment limit on the Japanese Maritime Self Defense Force (JMSDF) of 1,000 nautical miles from Japan. Japan would have to patrol the SLOCs in the South China Sea, which would be perceived as a threat by the Chinese. Then the Chinese would expand their military buildup, which would create an arms race and instability in the region. Thus, it is perceived that a withdrawal of American forces from the Western Pacific would cause instability in East Asia. For this reason many states in the region are building up their defensive capabilities, which is already inspiring an arms race (Johnston, 1992). East Asians want a continued American-Japanese security relationship to prevent the possibility that Japan would build up its military power and begin deploying it to protect Japanese national interests (Bosworth, 1993: 107).

The United States' security agreement with Japan is viewed as vital to stability in the region (Johnston, 1992: 105).

A dilemma facing United States policy makers is whether the United States, as the lone surviving superpower of the Cold War, should assume the role of international policeman. Global security concerns of the Cold War overshadowed long-lasting regional conflicts. The Cold War made regional security concerns in East Asia secondary to the superpower rivalry. In the post-Cold War era these secondary security concerns have become the primary security challenges (Baker, 1991). It would be rather presumptuous for American policy makers to believe that American military power can solve regional conflicts that have been going on long before the origins of the Cold War. Some Americans believe that the United States' contribution to stability in the region can only come in the form of a military presence (Crowe and Romberg, 1991: 130). This view is myopic and sells short the United States' diplomatic capabilities.

A. BRUNEIAN MILITARY CONCERNS

If one were to compare East Asia to the Middle East, one would see similarities between the security concerns of Kuwait and those of Brunei. Both countries are very small, rich in oil reserves, and surrounded by large, and sometimes hostile neighbors. Brunei's total land area is 5,270 square kilometers, which is slightly larger than the state of Delaware. The only country smaller than Brunei in Southeast Asia is Singapore with a land area of 622.6 square kilometers. Brunei received its independence from Britain in 1984, but the sultan of Brunei was hesitant in accepting this independence.

The sultan feared that without the British to protect it, Brunei's security would be threatened by its neighbors. Brunei believed that Malaysia and Indonesia would pose direct external threats, and that both of these countries would support domestic insurgencies within Brunei's borders (Neher, 1991: chap. 8).

Brunei has the highest per capita income in Southeast Asia and has a fully developed welfare system that is adequate to meet the basic needs of its citizens, so there is little threat to the sultan's rule by internal dissent (Neher, 1991: chap. 8). The last insurgency Brunei experienced occurred in 1962. The Azahari revolt was the result of an anti-Malaysia and anti-British socialist party winning Brunei's first election. This directly threatened the Bruneian monarchy and the party was prevented from taking power. A rebellion ensued but was quickly put down by British forces.

There are currently no external threats to Brunei's national security (Menon, 1989: 194; Neher, 1991: 137). However, China's expansionist tendencies in the South China Sea do pose a potential threat to Brunei. The conflicting claims over the Spratly Islands pose the greatest external threat to Bruneian national interest. Though Brunei does not claim any of the islands or reefs in the Spratlys as sovereign Bruneian territory, other claimants pose a threat to Bruneian waters, where much of the country's oil and all of its natural gas is located. Brunei fully supports ASEAN's July 1992 South China Sea Declaration. This declaration insists that all claimants not use military force to solve territorial disputes in the South China Sea and use diplomacy to coordinate joint exploration until the sovereignty issues are settled.

Brunei's maritime claims consist of a 12 nautical mile (NM) territorial sea and a 200 NM Exclusive fishing zone. Within Brunei's Exclusive fishing zone is Louisa Reef which is part of the Spratly Islands. All of the Spratlys are claimed by China, including Louisa Reef. Thus far Brunei has not publicly claimed the reef.

Brunei's defense expenditures are approximately \$233 million annually.¹⁶ This is the smallest military budget in absolute terms among the ASEAN states. The second smallest military budget in ASEAN is the Philippines' at \$915 million. Brunei's defense expenditures, as a percentage of Gross Domestic Product (GDP), are approximately 20.3 percent, which is the largest in ASEAN. Malaysia ranks second in ASEAN with 8.2 percent of its GDP going to military expenditures.

The Royal Brunei Armed Forces' (RBAF) available manpower is the smallest in all of Southeast Asia. Brunei's population between the ages of 15-49 is 75,330 people, of which 43,969 are fit for military service.¹⁷ The RBAF consist of 4,450 active duty personnel, and a reserve force of 900 personnel is being developed.¹⁸ Table 1 shows that the next smallest military in Southeast Asia is the Laotian military with 37,000 personnel. The RBAF is augmented by a battalion of British Gurkhas, which is paid for from Brunei's national budget.

Sultan Hassanal Bolkiah desires to modernize the capabilities of the RBAF to protect Brunei's maritime interests. Brunei is planning to purchase 16

¹⁶ All dollar figures presented in this thesis are U.S. dollar values.

¹⁷ Central Intelligence Agency, *The World Factbook* 1992, Washington D.C.: Central Intelligence Agency, 1992, p. 51.

¹⁸ *Asia 1993 Yearbook* (Hong Kong: Far Eastern Economic Review, 1993), p. 227.

Hawk fighter aircraft from British Aerospace and wants three 1,000 ton offshore patrol craft. The Hawk fighters will be Brunei's first fixed wing aircraft. Brunei's navy currently consists of three missile craft and three patrol boats. The RBAF does not have the capability to adequately defend against an external attack aimed at taking control of the country's oil wells. Brunei would have to depend on friendly nations to come to its "rescue" (Menon, 1989: 193).

Brunei joined ASEAN only one week after the British granted Brunei its independence. This move was for more pragmatic than ideological reasons. Brunei felt it needed membership in ASEAN to enhance Brunei's national security and international legitimacy (Menon, 1989: 199; Neher 1991: 138). The Bruneian government has adopted a pro-Western foreign policy and is supportive of United States foreign policy.

The government of Brunei believes that a U.S. military presence in Southeast Asia is necessary for the maintenance of stability in the region. In April 1992, Alimin Wahab, a senior official in the Brunei Prime Minister's office, expressed support for a continuing U.S. military presence in Southeast Asia. Alimin said Brunei still needs the U.S. presence to bridge the gap until Brunei could make long term arrangements to enhance its own security. Brunei has the perception that an absence of U.S. military presence in the region would create a power vacuum in Southeast Asia. Alimin stated that

TABLE 1.
MILITARY BALANCE IN SOUTHEAST ASIA

| | Brun | Burm | Cam | Indo | Laos | Mala | Phil | Sing | Thai | Viet |
|-----------------------|------|------|-----|------|------|-------|-------|------|------|-------|
| Active Personnel* | 4.4 | 286 | 135 | 283 | 37 | 127.5 | 106.5 | 55.5 | 283 | 857 |
| Reserve Personnel* | 0.9 | 0 | 0 | 400 | 0 | 44.3 | 131 | 262 | 500 | 0 |
| Army Personnel* | 3.6 | 265 | 80 | 215 | 33 | 105 | 68 | 45 | 190 | 700 |
| Main Battle Tanks | 0 | 26 | 150 | 0 | 30 | 0 | 0 | 0 | 253 | 1,300 |
| Light Tanks† | 16 | 30 | 0 | 235 | 25 | 26 | 41 | 350 | 310 | 600 |
| Artillery over 100mm† | 0 | 96 | 20 | 170 | 75 | 159 | 392 | 168 | 527 | 2,330 |
| Navy Personnel* | 0.5 | 12 | 4 | 44 | 0.5 | 10.5 | 23 | 4.5 | 50 | 42 |
| Naval Infantry* | 0 | 0.8 | 0 | 12 | 0 | 0 | 8.5 | 0 | @ | 30 |
| Submarines | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Frigates | 0 | 0 | 0 | 17 | 0 | 4 | 1 | 0 | 8 | 7 |
| Corvettes | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 6 | 5 | 0 |
| Missile Craft | 3 | 0 | 0 | 4 | 0 | 8 | 0 | 6 | 6 | 8 |
| Torpedo Craft | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 19 |
| Offshore Patrol Boats | 0 | 0 | 0 | 0 | 0 | 2 | 8 | 0 | 0 | 0 |
| Coastal Patrol Boats | 3 | 29 | 12 | 42 | 8 | 27 | 34 | 18 | 54 | 28 |
| Mine Warfare Vessels | 0 | 0 | 0 | 2 | 0 | 5 | 0 | 1 | 7 | 11 |
| Amphibious Vessels | 2 | 5 | 0 | 16 | 0 | 2 | 7 | 5 | 8 | 7 |
| Support Vessels | 0 | 4 | 0 | 18 | 0 | 3 | 12 | 1 | 7 | 19 |
| Naval Aircraft | 0 | 0 | 0 | 33 | 0 | 6 | 5 | 0 | 34 | 0 |
| Air Force Personnel* | 0.3 | 9 | 0 | 24 | 3.5 | 12 | 15.5 | 6 | 70 | 15 |
| Attack Aircraft | 0 | 0 | 0 | 40 | 29 | 33 | 0 | 107 | £ | 60 |
| Fighter Aircraft | 0 | 12 | 17 | 14 | 0 | 13 | 9 | 38 | 400 | 125 |
| Attack Helicopters | 7 | 10 | 0 | 0 | 0 | 0 | 94 | 6 | 0 | 20 |
| Other helicopters | 10 | 49 | 11 | 40 | 12 | 12 | 72 | 44 | 23 | 230 |

* in thousands

† includes naval infantry and marine corps equipment.

@ included in total navy personnel.

£ included in fighter aircraft.

Source: "The Military Balance," *Asia 1993 Yearbook* (Hong Kong: Far Eastern Economic Review, 1993), pp. 225-240.

Brunei is concerned that other ambitious regional powers will attempt to fill the "vacuum" left by the U.S. military pullout from the Philippines.¹⁹

Alimin announced that Brunei will provide access to United States military forces.

We are now planning to enter into a memorandum of understanding with the United States to facilitate increased visits (by United States naval vessels). But it will not be in the way Singapore has done because we do not have the facilities to offer.²⁰

Singapore is providing the United States Navy with repair facilities and allowing a U.S. Navy logistics detachment of over 100 personnel to be stationed in Singapore. Alimin's statement came the day following Malaysia's Defense Minister Najib Tun Razak had also declared Kuala Lumpur's support for a continued U.S. military presence in the region. Alimin said "We regard Malaysia's stand as significant and we fully support Najib's Statement."²¹

Brunei can be placed in the group of Southeast Asian countries that believes that a "security vacuum" will be created if the United States does not maintain a military presence in the region. It clearly wants the United States, as a benign power, to act as "security broker" for the region.

Brunei's security interests are now less concerned with insurgency or protecting its sovereignty from Malaysia or Indonesia, and more concerned with protecting its maritime assets. China, Indonesia, and Malaysia does not

¹⁹ "Regional U.S. Military Presence Supported," *Hong Kong AFP*, April 30, 1992. Published in *FBIS East Asia Daily Report*, May 4, 1992, p. 14.

²⁰ Ibid.

²¹ Ibid.

pose any threat of invading Brunei, but Chinese claims in the South China Sea do pose a threat to Brunei's maritime interests. From Brunei's standpoint, a withdrawal of United States military forces from the region may lift the deterrent that held back other countries' maritime ambitions in the Spratly's, which Brunei has little means of countering. This does not constitute a power vacuum in the geopolitical sense, but from a small country's perspective like Brunei's, it does appear to be one.

Brunei's shift from counterinsurgency to conventional weapons to protect maritime interests clearly illustrates its changing national security concerns. In the post-Cold War era, Brunei is no longer worried with externally sponsored insurgency. Its ambitions to acquire fixed wing aircraft and increase the size of its navy show that Brunei's security concerns are now focused on protecting its maritime interests.

B. INDONESIAN MILITARY CONCERNS

The Indonesian government is one that has always opposed foreign intervention in the region. It supports the Zone of Peace, Freedom, and Neutrality (ZOPFAN), which was formulated to keep Southeast Asia from being embroiled in a conflict between the superpowers. Indonesia has viewed China as the primary threat to the region, and its traditional mistrust of the Chinese continues (Simon, 1993: 7). In the 1980's, China and Indonesia gradually improved their relations, and in 1990 Indonesia normalized diplomatic relations with China. However, China's increase in its naval capability, especially in its South China Fleet, does pose a potential threat to an archipelagic state like Indonesia (Stubbs, 1992: 400).

Indonesia invaded East Timor in 1975. The Indonesian government annexed East Timor because it felt the former Portuguese colony would be a base for communist insurgency. Insurgency remains active in East Timor and this presents a security concern for the Indonesian government.

Indonesia is the largest state in Southeast Asia. It covers an area of over 1.9 million square kilometers. Indonesia claims a 200 NM EEZ and a 12 NM territorial sea, measured from its claimed archipelagic baselines. Indonesia does not have any claims to the disputed Spratly Islands. However, the disputed area's EEZs overlap with Indonesia's EEZ at Natuna Island. This factor is causing Indonesia to focus its security concerns on the protection of its maritime interests.

Indonesia has no security treaties with the United States. However, Indonesia has offered to grant access to American military forces.

Indonesia's defense expenditures for 1991 were in the order of \$1.7 billion, which was only two percent of its GDP. In absolute terms, only two countries in Southeast Asia spent more on defense that year. In terms of percent of GDP, Indonesia had the second lowest defense expenditures of all the ASEAN states.

Indonesia's available manpower for military service is the largest in all of Southeast Asia. Indonesia's population between the ages of 15-49 is 51.9 million, of which 30.6 million are fit for military service.²² Indonesia's military consist of 283,000 active duty personnel and a reserve force of 400,000 personnel.²³ The only country in Southeast Asia with more military

²² Central Intelligence Agency, *The World Factbook* 1992, p. 159.

²³ *Asia 1993 Yearbook*, p. 231.

personnel is Thailand with 283,000 active duty personnel and a reserve force of 500,000 personnel.

Indonesia has the largest navy of all the Southeast Asian states. It is the only Southeast Asian country that has submarines, and it has twice as many frigates as Thailand, which has the second largest Southeast Asian navy. Only Singapore and Vietnam have more attack aircraft than Indonesia, but Indonesia's number of fighter aircraft ranks fifth in Southeast Asia. The Indonesian army is the largest in ASEAN and third largest in Southeast Asia, behind Vietnam and Burma.

Indonesia wants to acquire two more submarines and 19 more frigates.²⁴ Indonesia has agreed to buy naval vessels from the former East German Navy that will apparently not be disarmed.²⁵ The package consists of 16 corvettes, nine minesweepers, 12 landing ships, and two combat support ships. Indonesia was considering purchasing 144 Hawk aircraft from British Aerospace, but the plan was shelved in April 1993 for lack of funds. Indonesia still has plans to buy 24 more Hawk aircraft for \$770 million.²⁶

The Indonesian government believes that a United States presence is necessary to maintain stability in Southeast Asia. Indonesia wants a U.S. presence in the Asia-Pacific region but believes the U.S. presence should not necessarily be in the form of military bases, but should be in the form of

²⁴ *Jane's Fighting Ships 1992-93*, ed. Richard Sharpe (London: Butler and Tanner Ltd., 1992), p. 282.

²⁵ Norman Friedman, "World Navies in Review," *Proceedings*, March 1993, p. 112.

²⁶ "Aircraft Deal Cut Back," *Far Eastern Economic Review*, April 29, 1993, p. 14.

economic and trade cooperation.²⁷ Foreign Minister Ali Alatas has said the concept of international security should not be interpreted in a narrow way from the military and security point of view only.²⁸ The Indonesian government feels that the U.S. presence should be a presence that will facilitate the establishment and accelerate the transformation of countries in this region into industrialized ones.²⁹

Referring to the January 1992 Bush-Goh agreement that allowed United States air and naval forces extensive access in Singapore for repair, resupply and training exercises, Admiral Soebidyo said: "We understand the need for this kind of thing since the presence of American forces, to be quite honest, is needed to maintain stability in this part of the world."³⁰

Indonesia recognizes that some countries in the region feel that a U.S. military disengagement from the region would cause a security vacuum. Foreign Minister Alatas said countries in the region are fearful of the possible withdrawal of the United States from the region because of the absence of the Soviet threat and domestic economic problems, and if that happens, there will be new uncertainty as to which country, China or Japan, will replace the United States. Indonesians feel this is the reason why there is a strong desire in this region for a continued United States military presence, because it would ensure the smooth process of establishing a new political

²⁷ "Alatas Says Trade Preferred Over U.S. Bases," *Jakarta Radio Republik Indonesia Network*, April 30, 1992. Translated and published in *FBIS East Asia Daily Report*, April 30, 1992, p. 28.

²⁸ Ibid.

²⁹ "What Kind of U.S. Presence Continues To Be Needed in Asia," *Kompas*, May 1, 1992, p. 4. Translated and published in *FBIS East Asia Daily Report*, May 26, 1992, pp. 30-31.

³⁰ Ibid.

configuration. However, the Indonesians feel an American military presence will be effective only if it is supported by an economic one.³¹

Even though Indonesia feels a United States presence in the region is beneficial and the Indonesian Government is allowing United States military forces access in its country, the Indonesians do not want United States to have bases in Southeast Asia. The Indonesians, at first, showed apprehension towards the Bush-Goh agreement. Singapore had not informed Indonesia before President Bush had made the announcement. On January 6, 1992, Foreign Minister Alatas stated that the Indonesian government was still waiting for explanations from Singapore on its agreement with the United States concerning the establishment of a U.S. Naval Logistics Command in Singapore.³² He said that this matter should be jointly discussed in accordance with ASEAN's joint agreement, and along with Malaysia, Indonesia was waiting for an explanation from Singapore.³³ In addition to the Singapore-U.S. agreement, Malaysia had offered the use of the Royal Malaysian Naval Base in Lumut as a maintenance and repair depot for U.S. warships two months earlier. Indonesia thinks that it is ironic that the Southeast Asian countries which adamantly advocate the creation of a ZOPFAN during the Cold War, were now offering their territories to the U.S. military.³⁴

³¹ Ibid.

³² "Government Awaits Singapore's Explanation on Base," *Antara*, January 7, 1992. Published in *FBIS East Asia Daily Report*, January 7, 1992, p. 50.

³³ Ibid.

³⁴ "Dynamism in the Pacific Region," *Suara Pembaruan*, January 14, 1992, p. 2. Translated and published in *FBIS East Asia Daily Report*, January 24, 1992, pp. 56-57.

Indonesians initially feared that Singapore's agreement with the United States was the first step toward a U.S. military base in Singapore. *Jakarta Radio Republik Indonesia* aired a broadcast which said:

In accordance with the memorandum of understanding signed in 1990, ASEAN countries have agreed not to allow their territories to be turned into foreign military bases. Against this background, it is normal for Indonesia and Malaysia to have questioned Singapore's decision. While the Singapore government is trying hard to convince its neighbors that the military facilities it provides to the U.S. Navy will not lead to the creation of a military base in that country, it is not clear to what extent its neighbors are convinced.³⁵

Foreign Minister Alatas, after being officially informed by Singapore's ambassador to Indonesia of the matter, said the Singapore-U.S. agreement to expand the existing U.S. logistic element in Singapore was fully within the framework of the Memorandum Of Understanding (MOU) signed in 1990 between the two countries and is not meant for the establishment of a military base.³⁶ He stated: "The accord is fully within the framework of the MOU and would not lead to the establishment of a base or the partial removal of the U.S. base in Subic, the Philippines, to Singapore."³⁷

The Indonesian government does not want a dominant U.S. military presence in Southeast Asia, but it does want the United States to remain engaged in the region. Indonesia feels that the United States presence should

³⁵ "Singapore's Facilities to U.S. Navy Questioned," *Jakarta Radio Republik Indonesia Network*, January 10, 1992. Translated and published in *FBIS East Asia Daily Report*, January 10, 1992, p. 51.

³⁶ "No Base Agreement Established," *Antara*, January 7, 1992. Published in *FBIS East Asia Daily Report*, January 7, 1992, p. 50.

³⁷ *Ibid.*

be more of an economic presence than a military one. Indonesia's security concerns, with the exception of East Timor, are now focused on maintaining regional stability to allow countries in the region to develop their economies.

Indonesia recognizes that other countries in the region are fearful of a power vacuum and these fears alone could present difficulties that would affect regional stability. For this reason, it would only prove beneficial for Indonesia to encourage the U.S. to maintain its presence in the region so that regional insecurities could be kept to a minimum. Indonesia recognizes that as long as the U.S. maintains its security agreement with Japan, other countries will be more at ease about regional security. Also, Indonesia does perceive China's expansion into the South China Sea as a threat to Indonesia's maritime interests. The Indonesian navy may be large by Southeast Asian standards, but it is no match for China's navy or Japan's MSDF. The United States naval presence can ensure that the SLOCs remain accessible for regional trade. Indonesia's endeavors to increase its naval capabilities and its offering of access to the U.S. Navy illustrates that its security concerns are shifting to the protection of Indonesian maritime interests, and that it sees the United States military presence as useful, if not indispensable, in upholding freedom of the seas.

C. MALAYSIAN MILITARY CONCERNS

Since Malaysia gained its independence in 1957, it has concentrated more of its assets on economic development, than on building a large military force. Malaysia has a noninterventionist foreign policy and is a strong

supporter of ASEAN, to promote its economic and national security goals. Also, Malaysia is the originator of the ZOPFAN for Southeast Asia.

The prominent threat to Malaysia in the post-Cold War era is Chinese adventurism in Southeast Asian waters. Malaysia has grown very wary of China's naval expansion and force projection in the South China Sea (Stubbs, 1992: 401). China's territorial claim of all the Spratly Islands conflicts with Malaysia's claims in the Spratlys. Malaysia currently occupies three islands in the Spratlys: Mariveles Reef, Swallow Reef, and Ardasier Bank. Malaysia's interests center on the Spratly Islands' rich mineral and marine resources. Also, Chinese territorial claims extend into Malaysia's EEZ. Malaysia claims a 12 NM territorial sea, a 200 NM Exclusive fishing zone, and a 200 NM EEZ. It has an ambitious defense procurement program to enable it to protect its EEZ and its access to SLOCs (Buszynski, 1992: 842).

Malaysia has three other territorial disputes besides those in the Spratlys. Malaysia occupies Sipadan and Ligitan, two islands off Sabah which are also claimed by Indonesia. In 1992, the dispute lead to an increase in naval activity in the region, but both sides have agreed to study the legal status of the claims.³⁸ Malaysia also has a dispute with Singapore over Pedra Branca Island, and a dispute with the Philippines over Sabah.

Malaysia has no defense treaties or security arrangements with the United States. However, Malaysia has agreed to allow U.S. military forces access to that country.

Malaysia's 1992 defense budget was \$2.4 billion, which was five percent of its GDP. Malaysia's defense expenditures were the second largest in ASEAN

³⁸ *Asia 1993 Yearbook*, p. 162.

in both absolute terms and as a percentage of GDP. Malaysia's Sixth Economic Plan increased defense spending to 11 percent of the budget, which is a significant change from the Fifth Plan that limited defense spending to 4.2 percent.³⁹

In terms of personnel, the Malaysian armed forces is the fourth largest in Southeast Asia with 127,500 on active duty and 44,300 reserves. The Royal Malaysian Navy (RMN) has four frigates and 37 patrol boats, which makes it the fourth largest naval force among the Southeast Asian countries. The Royal Malaysian Air Force (RMAF) has 33 attack aircraft and 13 fighter aircraft, making it the fourth largest air force in the region. The Royal Malaysian Army (RMA) consists of 105,000 personnel, which is the fifth largest army in Southeast Asia.

Malaysia's military has been specializing in counterinsurgency for so long that it will take some time for it to reconfigure its resources to adjust to the growing maritime threats in the region (Stubbs, 1992: 409). Malaysia is shifting its emphasis from land warfare to maritime warfare (Simon, 1993: 11). It intends to purchase enough air superiority aircraft to equip two new squadrons of either Russian MiG-29s, American F-16s and F/A-18s, or French Mirage 2000s.⁴⁰ In 1992, Malaysia ordered two British frigates, which will be capable of carrying Exocet anti-ship missiles.⁴¹ Also, Malaysia has reached a

³⁹ Leszek Buszynski, "Southeast Asia in the Post-Cold War Era," p. 842.

⁴⁰ Ibid.

⁴¹ Norman Friedman, "World Navies in Review," *Proceedings*, March 1993, p. 112.

tentative agreement Sweden for two submarines.⁴² Malaysia is planning to build 18 offshore patrol vessels in the next 15 years for EEZ protection.

Like the Indonesians, the Malaysians think the U.S. presence in the region must be broader than military concerns. Malaysian Defense Minister Datuk Sri Mohamed Najib Razak has said: "The question of security should not be viewed from a narrow perspective, such as touching on conflicts, but should be linked to the question of the well-being as well as the social and economic development of the region."⁴³

In November 1991, Defense Minister Najib Razak offered the use of the Royal Malaysian Naval Base in Lumut as a maintenance and repair depot for U.S. warships. The Defense Minister stated:

We are now waiting for an official reply from the United States Government as Admiral Larson is expected to convey our offer. However, the offer to use the Lumut naval base is only for maintenance and repairs. We will not allow the base to be used for military purposes.⁴⁴

He also stated that his government's offer to the U.S. to use the RMN facilities at Lumut was a "commercial proposition." He said that the reason for this offer was to help create jobs and business opportunities, and allow the RMN to acquire defense technology.⁴⁵

⁴²Sheldon W. Simon, *Regional Issues in Southeast Asian Security*. A paper prepared for the The National Bureau of Asian Research and the Defense Intelligence College Research Support Program Third Annual Workshop on Asian Politics, Monterey, California, March 1993, p. 11.

⁴³"No Major Threat In Sight," *New Straits Times*, January 21, 1992, p. 10. Published in *FBIS East Asia Daily Report*, January 23, 1992, p. 42.

⁴⁴"Minister Offers Base as Depot to U.S. Warships," *New Straits Times*, November 1, 1991, p. 12. Published in *FBIS East Asia Daily Report*, November 4, 1991, p. 27.

⁴⁵"Lumut Base Offer to U.S. Explained," *New Straits Times*, December 6, 1991, p. 5. Published in *FBIS East Asia Daily Report*, December 9, 1991, p. 30.

After the announcement of the 1992 Bush-Goh agreement, Malaysian Deputy Foreign Minister Datuk Dr. Abdullah Fadzil Che Wan said that Malaysia and other ASEAN countries would oppose any attempts to establish a new United States naval base in Singapore. He said the establishment of such a naval base runs counter to the ASEAN concept of ZOPFAN.⁴⁶ Malaysian Prime Minister Dr. Mahathir Mohamed said he did not see the necessity for an American military base in the region.⁴⁷ Defense Minister Najib Razak said the leaders of ASEAN object to a strong, direct United States military presence in Southeast Asia, but they acknowledged a need for a United States presence in Southeast Asia.⁴⁸

The Malaysian government objects to a strong U.S. military presence in Southeast Asia and does not subscribe to the power vacuum theory. Defense Minister Najib Razak has said:

I do not see a change in the political situation. Now, I do not see regional powers asserting themselves, either.⁴⁹

The Defense Minister said although Malaysia supported United States presence in the region, he did not think regional security would be threatened by a United States withdrawal from the Philippines.⁵⁰ He stated:

⁴⁶ "Vice Minister on New U.S. Base in Singapore," *Radio Malaysia Network*, January 5, 1992. Translated and published in *FBIS East Asia Daily Report*, January 6, 1992, p. 45.

⁴⁷ "Mahathir: U.S. Disrespectful of Others' Rights," *Bernama*, January 6, 1992. Published in *FBIS East Asia Daily Report*, January 6, 1992, p. 45.

⁴⁸ "No Major Threat In Sight," p. 42.

⁴⁹ "More on Najib's Remarks," *Hong Kong AFP*, September 11, 1991. Published from *FBIS East Asia Daily Report*, September 12, 1991, p. 41.

⁵⁰ "Bases Facilities Ruled Out," *Bernama*, September 12, 1991. Published from *FBIS East Asia Daily Report*, September 12, 1991, p. 40.

The Cold War is history. Defense budgets worldwide are shrinking and I don't think the pull-out, if it happens, will encourage any regional power to try to fill the vacuum.⁵¹

The Malaysians, along with Indonesia and other ASEAN members, feel that having an American military presence in the region will defuse any of Japan's anxiety concerning the protection of its maritime trade routes and access to the oil in the Gulf.⁵²

Although Malaysia does not want a dominant American military presence in Southeast Asia, it does want to see the U.S. military remain engaged in the region. Even though it has no fear of a power vacuum, the Malaysian government is concerned about a maritime security problem. Malaysia's program to build up the RMN and the RMAF is an indication that its security concerns are shifting from counterinsurgency to protection of its maritime claims, EEZ, and access to the SLOCs.

D. PHILIPPINE MILITARY CONCERNS

The greatest threat to the Philippines' national security in the post-Cold War era is from insurgency. Post-Cold War emerging trends in regional security are having limited influence on the Philippine government's thinking about defense issues because it is preoccupied with its domestic security problems posed by insurgency (Stubbs, 1992: 398). The rebel forces in the Philippines are not externally sponsored, but are a result of years of internal dissent with the Philippine government. This dissent has also infiltrated the Armed Forces of the Philippines (AFP). The Reform the

⁵¹ Ibid.

⁵² "No Major Threat In Sight," p. 42.

Armed Forces Movement (RAM) was formed by a group of soldiers who were adamantly against the increase politicization and the decrease in professionalism of the AFP during the later part of Marcos administration. RAM still presents an insurgency problem for the AFP and the Ramos administration.

The greatest threat to the Philippines is to its claims in the Spratly Islands. The Philippines occupies the most islands and has the largest military presence in the disputed area. There are over 1,000 AFP personnel stationed on the eight Philippine occupied islands. The primary reason the Philippines is so committed to its claims in the Spratlys and the protection of its EEZ is economically based. The Philippines has been dependent on imported oil for about 95 percent of its energy needs, but oil discoveries off of Palawan are estimated to have reduced the Philippines reliance on imported oil to 85 percent.⁵³ The Philippines claims a 200 NM EEZ. It is also estimated that the Philippine's EEZ and its claims in the Spratlys are rich in other mineral and marine resources. The Philippines is not only taking military steps to protect its maritime interests in the South China Sea, but it is also using diplomatic attempts. At the annual ASEAN foreign minister's meeting in July 1992, the Philippines initiated the "South China Sea Declaration," concerning peaceful resolution of the Spratly Island conflict.

The Philippines has two formal security arrangements with the United States: the Mutual Defense Treaty (MDT) and the Southeast Asia Collective Defense Treaty. The MDT was signed in 1951 and is the basis of the United States' security commitment to the Philippines. Article IV of the treaty states:

⁵³Nayan Chanda, "Treacherous Shoals," *Far Eastern Economic Review*, August 13, 1992, p. 16.

"...each Party recognizes that an armed attack in the Pacific Area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes." The 1954 Southeast Asia Collective Defense Treaty, is a multilateral agreement between Australia, France, New Zealand, the Philippines, Thailand, and the United States. This treaty commits the United States to aid the Philippines, within the United States' "constitutional processes," if Philippines were to come under armed attack.

The U.S. base leases agreement, which was another formal agreement, is no longer in effect. On September 16, 1991, the Philippine Senate voted to end the United States' leases. By November 1992, the U.S. had totally departed from its bases in the Philippines and had withdrawn all of its military personnel from the country. The loss of the base leases has severely dampened military relations between the two countries and has resulted in a significant decrease in U.S. foreign aid to the Philippines.

The Philippines' defense expenditures are only 6.5 percent of its national budget, which is the smallest among the ASEAN states.⁵⁴ The AFP's budget in 1991 was \$915 million, 1.9 percent of the Philippines' GDP. In absolute terms, the Philippines' defense expenditures are the second lowest in ASEAN, and as a percentage of GDP it is the lowest in ASEAN.

The AFP consists of 106,500 active duty personnel and 131,000 reservists, making it the second smallest military in ASEAN. Also, only Singapore and Brunei have smaller armies and navies than the Philippines, and the only ASEAN air force smaller than the Philippines' is Brunei's.

⁵⁴ Sheldon W. Simon, *Regional Issues in Southeast Asian Security*, p. 12.

The large decrease of military aid from the United States has severely hampered Philippine efforts to modernize of its armed forces. However, the Philippine government has formulated a ten year modernization plan. In an effort to protect Filipino interests in its South China Sea EEZ, the Philippine government wants to acquire six patrol craft, six fast attack missile vessels, minesweepers, coastguard cutters, Israeli KFIR fighter aircraft, and Czech L-39 air superiority aircraft.⁵⁵ The Philippines has also found aid in the form of training for its air force. Singapore has offered to provide advance training for AFP pilots in exchange for Singapore's use of the former American Crow Valley target range in the Philippines.⁵⁶

After the Philippine Senate rejected the base leases agreement, it appeared that the Philippine government did not hold much value to its security alliance with the United States. However, the Philippine government still values the security alliance. The AFP is in poor condition and the Philippine government remains greatly dependent on the United States to provide for Philippine external security. Also, the Philippines relies greatly on any remaining U.S. military aid for modernization.

The most prominent external threat to the Philippines is an armed conflict in the Spratlys. There have been several attempts by Filipinos to convince the United States that it is obligated to defend Philippine claims in the Spratlys. In April 1992, Philippine Foreign Affairs Secretary Raul Manglapus stated that it was the United States' obligation to defend and protect Philippine ships, which are an extension of Philippine territory. "If

⁵⁵ Leszek Buszynski, "Southeast Asia in the Post-Cold War Era," p. 842.

⁵⁶ *Asia 1993 Yearbook*, p. 193.

the U.S. does not defend our ships, it would be violating the Mutual Defense Treaty."⁵⁷ Again, in July 1992, Secretary Manglapus stated that the Philippines might invoke the MDT to get the United States to help the Philippines in case a war breaks out in the Spratly Islands. Manglapus held firm in his position that the United States must help the Philippines in case of a foreign invasion of the Philippine controlled islands in the Spratlys.⁵⁸

Philippine Congressman Eduardo Ermita describes his government's perception of the Spratlys "as a potential flash point in the region, the Spratlys must now be placed under a two-tiered diplomatic effort, one directed towards a regional agreement, and the other towards a superpower (U.S.) agreement."⁵⁹ He added that the Philippines could not realistically invoke the MDT in bolstering its claim over the Spratlys because the treaty had been premised on the Cold War.⁶⁰

The Philippines Foreign Affairs Secretary for the Ramos Administration, Roberto Romulo, said that on January 6, 1979, former United States Secretary of State Cyrus Vance "reaffirmed" the United States' "obligation to defend" the Philippines in case of an armed attack. He quoted Vance's promise to the Foreign Affairs Secretary for the Marcos administration, Carlos P. Romulo: "I should like to reaffirm our obligation to act to meet the common dangers in accordance with our constitutional processes in the event of armed attack in

⁵⁷ "Manglapus: U.S. Must Protect Ships in Spratlys," *Manila Broadcasting Company DZRH*, April 13, 1992. Published in *FBIS East Asia Daily Report*, April 14, 1992, p. 34.

⁵⁸ "U.S. Defense Pact May Be Invoked Over Spratlys." Published in *FBIS East Asia Daily Report*, July 15, 1992, p. 27.

⁵⁹ "U.S., Japan Urged To Intervene in Spratlys Issue." Published in *FBIS East Asia Daily Report*, July 10, 1992, pp. 23-24.

⁶⁰ Ibid.

the Pacific area of the Republic of the Philippines."⁶¹ Americans feel that the Vance statement does not mean the same as "obligated to defend."

The Philippine government does feel that a continued U.S. military presence provides stability in region. It believes that threats do remain within the region even though Cold War is over. In April 1993, Secretary Romulo stated:

I am extremely concerned about regional stability. We welcome a U.S. presence in the region which contributes to that.⁶²

Filipinos welcomed Washington's decision to transfer forces to Singapore after the announcement of the Bush-Goh agreement was made.⁶³ Secretary Manglapus said: "The Bush-Goh agreement clearly shows the reality we have always pointed out, that the present situation in the Southeast Asian region underscores the need to work cooperatively with the U.S. to better share the responsibility of promoting stability in the region."⁶⁴ Also, Philippine Defense Secretary Renato de Villa said the consensus among Southeast Asian leaders indicates that "while the threat from the Soviet Union has almost

⁶¹ "Romulo Cites U.S. Pledge To defend Country," *Manila Bulletin*, November 11, 1992, p. 12. Published in *FBIS East Asia Daily Report*, November 12, 1992, p. 48.

⁶² Jose G. Ebro, "Romulo Says U.S. Forces Have Access to Bases," *Business World*, April 6, 1993, p. 10. Published in *FBIS East Asia Daily Report*, April 6, 1993, pp. 47-48.

⁶³ "Manila Welcomes Transfer of U.S. Forces," *DWIZ Voice of the Filipino People's Radio*, January 5, 1992. Translated and published in *FBIS East Asia Daily Report*, January 6, 1992, p. 58.

⁶⁴ Ric Baliao, "Continued Military Pact With U.S. Urged," *Manila Bulletin*, January 6, 1992, pp. 1, 20. Published in *FBIS East Asia Daily Report*, January 7, 1992, p. 55.

disappeared, the small countries in the region still need a protective umbrella because there are still continuing threats to regional security and stability."⁶⁵

Defense Secretary De Villa has said that despite the United States' withdrawal, Washington's commitment to maintain its military presence in the Pacific "continues to provide cover and a sense of security to the entire region."⁶⁶ Philippine President Fidel Ramos stated that he felt a need for a continued presence by the United States to maintain stability in the region. He feels it is important for the U.S. to maintain a credible presence in the Pacific even without the special bilateral relations that existed between the Philippines and the United States in the past.⁶⁷ In his speech at the closing ceremony of the Subic Bay U.S. Naval Base, Ramos Stated: "...From the welfare of various views on the future of U.S. involvement in regional affairs, our region of Asia and the Pacific, one consistent reality emerges, and that is that the member-nations of ASEAN uniformly hold the view that American power and influence continue to be essential to the preservation of peace and stability in Asia and Pacific region."⁶⁸

Secretary Romulo best describes the Philippine government's dichotomy towards the United States military presence in the region. "We welcome an American presence, not necessarily within the shores of the Philippines, but

⁶⁵ Ibid.

⁶⁶ "Ramos Approves 'New Relationship' With U.S.," *Hong Kong AFP*, October 2, 1992. Published in *FBIS East Asia Daily Report*, October 2, 1992, p. 30.

⁶⁷ "Ramos on Need for Continued Credible U.S. Presence," *Manila PNA*, October 13, 1992. Published in *FBIS East Asia Daily Report*, October 13, 1992, p. 66.

⁶⁸ "Address by President Fidel V. Ramos at the Subic Bay Base Closure Ceremony," *Quezon City Radyo ng Bayan*, November 24, 1992. Translated and published in *FBIS East Asia Daily Report*, November 24, 1992, p. 38.

an American presence in the region to make sure there is meaningful balance in the South China Sea and Asia-Pacific"⁶⁹ In a later statement, Secretary Romulo said: "although the continued presence of U.S. forces may be beneficial to the country with respect to providing a stabilizing force in Southeast Asia, this fact does not automatically translate into allowing the United States to continue maintaining their bases here in the country."⁷⁰ National Security Advisor for the Ramos administration, Jose Almonte, said the Philippines still considered the United States as an extremely important factor in East Asian stability, even though Filipinos had rejected the United States' bases in the Philippines. Almonte also said that the United States is not only a huge influence, but also a restraint for Japan, Chinese, and North Korean military ambitions.⁷¹

The Philippine government wants the U.S. to act as a deterrent to aggression in the region. It wants the U.S. to react with military force when needed. The Philippine government also has said that it will allow the U.S. to use Subic if another Gulf War erupts.⁷² Secretary Romulo has stated the importance the Philippine government holds for the role the United States' alliance plays in contributing to the security of the region.

⁶⁹ Romy Mapile, "Regional Security Tops Agenda for U.S. Talks," *Manila Bulletin*, November 6, 1992, p. 1. Published in *FBIS East Asia Daily Report*, November 6, 1992, p. 38.

⁷⁰ "Romulo Denies Accord on U.S. Return to Bases," *Manila DWIZ Voice of the Filipino People's Radio*, November 9, 1992. Translated and published in *FBIS East Asia Daily Report*, November 10, 1992, p. 48.

⁷¹ Liana J. Santos, "Almonte: U.S. Still 'Huge Factor' in Stability," *Manila Standard*, February 1, 1993, p. 5. Published in *FBIS East Asia Daily Report*, February 1, 1993, p. 55.

⁷² "De Villa: Subic Open to U.S. for Gulf War," *DWIZ Voice of the Filipino People's Radio*, August 17, 1992. Translated and published in *FBIS East Asia Daily Report*, August 18, 1992, p. 38.

The U.S. military role in the Asia-Pacific region should be one of deterrence and of participation in United Nations sanctioned action when the need arises. The U.S. technological edge in 'smart' weapons should be coupled with the U.S. government assurance that it will act when there is a need to do so... The U.S. should remain committed in defending the sea lanes in the Pacific and in the Southeast Asia Lake.⁷³

The Philippine government feels that a strong American military presence is necessary in Southeast Asia. The Philippines is clearly concerned that another hegemonic power may attempt to exert its influence in the region. This is not surprising when considering the Philippines lack of military ability to protect its national interests.

E. SINGAPOREAN MILITARY CONCERNS

Singapore's security concerns are very similar to those of Brunei. Like Brunei, Singapore is relatively small compared to its neighbors. Singapore has a very limited military capability, mostly because it has limited area where it can base and train military forces. It has looked to the west to provide a balance of power in the region. Singapore has adopted an anti-communist foreign policy, but has avoided being involved in conflicts between the major powers. Singapore's policy of "neutrality" is based on its national interest of survival (Neher, 1991: chap. 7). ASEAN plays an important role for Singapore in terms of security.

Singapore's total land area is 622.6 square kilometers, which is about three times the size of Washington, DC. It is the smallest country in Southeast Asia. Singapore claims a 12 NM Exclusive fishing zone, a three NM territorial sea, and no EEZ. Singapore's only territorial dispute is with

⁷³Jose G. Ebro, "Romulo: U.S. Military 'Should Remain Committed,'" *Business World*, January 19, 1993, p. 1. Published in *FBIS East Asia Daily Report*, January 7, 1992, p. 55.

Malaysia over Pedra Branca Island. The island is 55 kilometers northeast of Singapore and is little more than a rock with a lighthouse on it. Singapore has been administering to it for the last 150 years, and Malaysia claims the island because it is located within Malaysian territorial waters.

Singapore has no formal alliances with the United States, but in January 1992 President Bush and Prime Minister Goh Chok Tong reached an agreement where in the U.S. Navy's logistic command at Subic Bay would be moved to Singapore. Also, in 1990 the two countries signed a memorandum of understanding that made provisions for Singapore to provide facilities for the U.S. Air Force and the U.S. Navy.

Singapore's defense budget in 1991 was \$1.7 billion, which was four percent of its GDP that year. In absolute terms, Singapore's defense expenditures were the third largest in Southeast Asia, spending just as much as Indonesia, but with a fraction of the population. Singapore ranks third in ASEAN in defense spending as a percentage of GDP.

Only Laos and Brunei have less available manpower for military service than Singapore. Singapore's population between the ages of 15-49 is 847,435 people, of which 626,914 are estimated to be fit for military service.⁷⁴ The Singaporean military has 55,500 active duty personnel, the third smallest in Southeast Asia. However, Singapore's has a reserve force of 262,000 personnel. When combining active duty and reserve personnel, Singapore has the fourth largest military in Southeast Asia.

The only ASEAN navy smaller than Singapore's is Brunei's. The same holds true for the Singaporean army. However, Singapore's air force has the

⁷⁴Central Intelligence Agency, *The World Factbook* 1992, p. 308.

most attack aircraft and the second most fighter aircraft in Southeast Asia. Singapore is planning on purchasing another squadron of American F-16s and upgrading the avionics and other systems on its A-4s.⁷⁵

The government of Singapore feels a United States military presence is vital to stability in the region. It views the United States as a benign power that plays the leading role in trying to bring about a stable world order, including Southeast Asia. Singapore believes the American military presence in the Asia-Pacific region provides a security umbrella that enables nations in the area to devote a bulk of their resources and energies to economic development.⁷⁶

Singapore's Minister of Defense, Yeo Ning Hong, pointed out that one of the ways with which ASEAN must respond to the end of the Cold War is that it must help the United States to remain in the region. Yeo said a sharp U.S. military pullout from the Asia-Pacific may compel Japan to rearm. This could prompt the Chinese and Koreans to rearm, which would cause a chain reaction of destabilization in the region.⁷⁷

Singapore's Foreign Minister, Wong Kan Seng, said the United States must stay engaged in the Asia-Pacific to secure its own interests in the region. He warned that there was a danger of slower growth and the rise of militarism among the bigger players, such as Japan and China, if the United States was

⁷⁵ Leszek Buszynski, "Southeast Asia in the Post-Cold War Era," p. 842.

⁷⁶ "Enhancing an Old Friendship," *The Straits Times*, January 7, 1992, p. 26. Published from *FBIS East Asia Daily Report*, January 9, 1992, pp. 35-36.

⁷⁷ "Minister Warns Against U.S. Military Pullout," *Singapore Broadcasting Corporation*, February 26, 1992. Published from *FBIS East Asia Daily Report*, February 26, 1992, p. 41.

cut off from the region.⁷⁸ Wong stated: "The inescapable conclusion is no alternative balance in the Asia-Pacific can be as comfortable as the present one with the U.S. as the major player."⁷⁹ He also warned that the United States' withdrawal of its security umbrella or Japan's loss of confidence in it could trigger an East Asian arms race.

Defense Minister Yeo has said that a continued United States military presence in the Asia-Pacific region was vital to maintain stability while a new regional order evolved, and any sharp reduction in U.S. military presence would be interpreted as a weakening of United States' commitment.⁸⁰ He said:

...with the Cold War over, the challenge in the Asia-Pacific was to maintain stability and a measure of predictability while a new regional order evolved... Ultimately, U.S. leaders must convince Americans that a weak U.S. presence in Asia-Pacific is not in the interest of the Americans themselves, both strategic and economic... Japan, with its new economic superpower status, naturally aspired to play a greater international political role, thus arousing some nervousness among its neighbors, in particular China and Korea.⁸¹

The Singaporean government believes that an absence of United States forces from the region would create a "power vacuum" in Southeast Asia. Singapore's Minister of Information and Arts, Brigadier General George Yeo Yong Boon, said a sharp pull-back of United States military forces from Asia would result in Japan being forced to rearm, China and Korea would oppose

⁷⁸ "Minister Urges U.S. to 'Stay Engaged' in Asia," *The Straits Times*, October 2, 1992, p. 13. Published in *FBIS East Asia Daily Report*, October 5, 1992, pp. 18-19.

⁷⁹ Ibid.

⁸⁰ "Singapore Urges Continued U.S. Asian Military Presence," *Bernama*, December 1, 1992. Published in *FBIS East Asia Daily Report*, December 2, 1992, pp. 3-4.

⁸¹ Ibid.

Japan, and a whole chain reaction of destabilization would be triggered in the region.⁸² Defense Minister Yeo stated:

...any sharp and significant withdrawal of the U.S. military presence from the region would create a vacuum that a number of other regional powers would seek to fill, and fill very rapidly. Japan is one country that will obviously be very concerned if the U.S. were to quietly pull out in large numbers.⁸³

Yeo said a severe strain in the Japan-United States defense relationship would spark a region-wide concern over how Japan would seek to ensure its security. This would cause great concern in China, on the Korean peninsula, and Russia.⁸⁴

Defense Minister Yeo has said increased defense expenditures and procurements by the ASEAN countries does not constitute participation in a regional arms race. However, he did say that if an arms race was to be avoided, the Clinton Administration should remain committed to maintaining a strong U.S. military presence. Yeo said ASEAN members are concerned over the prospect of U.S. isolationism and China's power projection in the South China Sea.⁸⁵

Although the Singaporean government has allowed U.S. forces to be stationed in the republic, it does not want a U.S. military base in Singapore. Singapore's Prime Minister, Goh Chok Tong, has said he has ruled out the

⁸² "Continued U.S. Presence in Asia Sought," *Bernama*, January 16, 1992. Published in *FBIS East Asia Daily Report*, January 21, 1992, pp. 55-56.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ "Defense Minister Says No ASEAN Arms Race," *The Straits Times*, November 20, 1992, p. 20. Published in *FBIS East Asia Daily Report*, November 23, 1992, p. 22.

possibility of setting up a United States military base in Singapore, and the American presence in Singapore would be limited to a naval logistics element within the terms of the 1990 memorandum of understanding.⁶⁶

Singapore does feel that a United States military presence is necessary to provide stability in the region, and it is very fearful of a "power vacuum." However, Singapore's policy strategy is one of survival and it sees the United States as a benign power willing to ensure Singapore's protection. Singapore has no maritime concerns in protecting an EEZ, but its survival economically and as a nation-state is dependent on access to SLOCs. Singapore has very little natural resources and has no capability of being an autarky. Also, Singapore is extremely concerned with the United States' security agreement with Japan. Singapore believes that the agreement is vital to stability in the region.

F. THAI MILITARY CONCERNS

During the Cold War, Thailand's major regional threat was Vietnam, but the dissolution of the Soviet Union and the Eastern Bloc has taken away Vietnam's economic and military backing, making it very weak. Thailand does not perceive China as a security threat because Thailand has no conflicting territorial or maritime claims with China, and both countries have had an implied alliance against Vietnamese expansionism in recent history (Simon, 1993: 10). As a result of Thai army helping China supply the Khmer Rouge during Vietnam's occupation of Cambodia, Beijing and Bangkok have built strong ties (Stubbs, 1992: 401). Even though Thailand has

⁶⁶ "U.S. Military Facilities in Singapore," *Utusan Malaysia*, January 6, 1992, p. 47. Translated and published in *FBIS East Asia Daily Report*, January 27, 1992, p. 47.

not specifically identified India as a security threat, Thailand's security concerns are focused on building its defenses westward, specifically giving the Thai navy greater emphasis (Simon, 1993: 10).

The withdrawal of Vietnamese troops from Cambodia has had its side affects on Thai security concerns, causing a resurgence of Khmer Rouge guerrilla activity on the Thai-Cambodian border. This has made the border region one of the Thai military's top concern (Stubbs, 1992: 399; Suchit, 1993: 223). Of the ASEAN states, Thailand's borders are the most vulnerable. Its has a 1,125 mile border with Burma; a 502 mile border with Cambodia; a 1,096 mile border with Laos; and 316 mile border with Malaysia. Thailand has an unresolved boundary dispute with Laos and Burma. Thailand is preoccupied with settling its border dispute with Laos, and instability on its Cambodian border (Stubbs, 1992: 401).

In the post-Cold War period, Thailand has adjusted its foreign policy to lessen its security dependence on the United States. As Cold War considerations decreased, so did Thai security concerns, diminishing the importance of U.S. security contributions to Thailand (Neher, 1991: chap. 3).

Thailand and the United States do have a formal security agreement that was established during the Cold War. The 1954 Southeast Asia Collective Defense Treaty is a multilateral agreement between Australia, France, New Zealand, the Philippines, Thailand, and the United States. This treaty commits the United States to aid Thailand, within the United States' "constitutional processes," if Thailand were to come under armed attack. In 1962, the United States and Thailand issued the Rusk-Thanat Communique which stated that in the event of communist aggression against Thailand, the

U.S. would invoke the treaty without waiting for the other members of the pact to reach an agreement.

Thailand's 1992 military budget was \$2.7 billion, which was three percent of its GDP. This was the ASEAN's largest military budget in absolute terms, but it ranked third as a percentage of GDP.

Of the Southeast Asian military forces, Thailand's is second only to Vietnam's in the number of military personnel. The Thai military has 283,000 people on active duty and 500,000 reservists. The Royal Thai Army is the fourth largest in the region with 190,000 soldiers. The Royal Thai Navy is the second strongest in Southeast Asia. It has eight frigates and 65 patrol vessels. The Royal Thai Air Force has 22 attack aircraft and 38 fighter aircraft, which ranks fifth in Southeast Asia.

Thailand is showing increasing green water ambitions by recently acquiring six Chinese frigates and it is planning to obtain a Spanish built aircraft carrier capable of supporting AV-8 Harriers.⁸⁷ The Thai navy has taken the prominent role away from the Thai army as Thailand has shifted its interests away from Indochina (Simon, 1993: 10). Thailand is also planning to upgrade its air capabilities. It is intending to purchase an additional squadron of American F-16s,⁸⁸ and the Thai air force is hoping to buy tankers capable of in-flight refueling to extend the range of its F-16s. Thailand has also signed a \$680 million order for three E-2C air-early warning aircraft.⁸⁹

⁸⁷ Sheldon W. Simon, *Regional Issues in Southeast Asian Security*. p. 10.

⁸⁸ Leszek Buszynski, "Southeast Asia in the Post-Cold War Era," p. 842.

⁸⁹ "Intelligence," *Far Eastern Economic Review*, March 11, 1993, p. 9.

The Thai government has mixed feelings concerning the United States military presence providing stability for the region. Thai Foreign Ministry spokesman Sakthip Krairock said:

Thailand use to want the U.S. to keep its bases in the neighboring countries, for example in the Philippines. But now it cannot say what it wants as the world situation has already changed, including the political development in the Soviet Union.⁹⁰

Referring to the United States' departure from its military bases in the Philippines, Sakthip said: "To move the U.S. bases here would be very difficult as the Thai people would not accept it."⁹¹

In March 1992, the Thai Foreign Ministry made it be known that it felt the U.S. security umbrella is both unnecessary and an illusion. The Ministry believes Thailand is not under threat from its neighbors, particularly Vietnam, both because of the end of the Cold War and because Vietnam is economically in no position to fight. The Ministry also mentions that when there was intense fighting along the Cambodian border, Thailand asked for United States military assistance, which was rejected by Washington. However, the Thai military believes the United States security assistance should still be sought and that it could be forthcoming in times of genuine need.⁹²

⁹⁰ "Bases Said To Be Manila's Affair," *The Nation*, September 17, 1991, p A1. Published in *FBIS East Asia Daily Report*, September 17, 1991, p. 57.

⁹¹ Ibid.

⁹² Peter Mytri Ungphakon, "Ministries Want To 'Restructure' U.S. Ties," *Bangkok Post*, March 10, 1992, p. 4. Published in *FBIS East Asia Daily Report*, March 10, 1992, pp. 48-50.

Former Thai Foreign Minister Asa Sarasin has said that the problem of threats in the region no longer exists.⁹¹ Thai National Security Council Secretary Suwit Suthanukun said it would be "most unlikely" that the Thai government would allow United States military bases to be set up in Thailand.⁹² His statement was in reference to the Philippine Senate's rejection of the Philippine-United States Bases Treaty. Suwit said that his country would not offer its territory as a base for foreign military forces under any circumstances. He said: "The world is fighting only economic wars."⁹³

Thailand will allow United States military forces to use facilities in Thailand for refueling and "rest and relaxation." Foreign Minister Asa said: "A military base must not be established in Thailand and our country will never allow that to happen."⁹⁴ In the same statement he did say, however, that it would be no problem to allow the U.S. military refuel in Thailand.⁹⁵ The Thai Foreign and Commerce Ministries felt that the end of the Cold War and the increase in trade pressure from Washington justified serious adjustments of the Thai-United States relationship. They reasoned that a bargaining chip they could use might be that if the United States continued its aggression on trade issues, Thailand could show reluctance to grant the Americans access to military facilities, and this could be done without

⁹¹ "Foreign Minister on U.S. Base in Singapore," *Bangkok Radio Thailand Network*, January 9, 1992. Translated and published in *FBIS East Asia Daily Report*, January 9, 1992, p. 58.

⁹² "Bangkok 'Most Unlikely' To Allow U.S. Bases," *Bangkok Post*, September 11, 1991, p. 1. Published in *FBIS East Asia Daily Report*, September 11, 1991, p. 48.

⁹³ Ibid.

⁹⁴ "Foreign Minister on U.S. Base in Singapore," p. 58.

⁹⁵ Ibid.

damaging Thailand's own security interests because they felt the U.S. would probably not help if Thailand were attacked by a neighbor.⁹⁸

Prime Minister Chuan Leekpai said he expected the Clinton administration to pursue close ties with Asia and the Pacific, support for democracy, domestic economic recovery and support for free trade. Chuan wants to see the United States maintain its close political, economic and military ties with countries in Asia and the Pacific.⁹⁹ Thai Defense Minister General Wichit Sukmak said he believes the change in the United States' Presidential leadership would not have much impact on Thailand's Armed Forces because Thailand and the United States have exchanged cooperation and assistance for a long time.¹⁰⁰ He said:

The United States has been assisting Thailand in national development, in training of personnel, and in other forms, especially in development of the Armed Forces. We have benefited from U.S. cooperation and assistance for a long time... I don't think Thailand will be affected much by any problems in the United States.¹⁰¹

The end of the Cold War has brought about changes in Thai security concerns. Its most prominent threat, Vietnam, seems to be less capable of infringing on Thailand's national interests. Even so, Thailand is still

⁹⁸ "Ministries Want To 'Restructure' U.S. Ties," *Bangkok Post*, March 10, 1992, p. 4. Published in *FBIS East Asia Daily Report*, March 10, 1992, pp. 48-50.

⁹⁹ "Spokesman on Chuan's Expectations of Clinton," *Bangkok Post*, January 20, 1993, p. 8. Published in *FBIS East Asia Daily Report*, January 21, 1993, p. 55.

¹⁰⁰ "Defense Minister Predicts Little Change," *Bangkok Army Television Channel 5*, November 4, 1992. Translated and published in *FBIS East Asia Daily Report*, November 5, 1992, p. 46.

¹⁰¹ *Ibid.*

concentrating on maintaining a strong defense to protect it from potential threats from the Indian Ocean and East Asia.

G. BURMESE MILITARY CONCERNS

Burma is being ruled by a military government called the State Law and Order Restoration Council (SLORC), which is insecure about its own security and legitimacy. The martial law government faces potential threats from outside its borders and real threats from within. The government's primary security concern is ethnic insurgency. Burma also is geographically situated between countries that have much greater military capabilities. It is surrounded by India, China, and Thailand. Burmese-Thai relations have always been strained because of their history of conflict with one another. China has supported Burma's rebels in the past. The Indian government denounced the Burmese government's massacre of pro-democracy demonstrators in 1988, and India openly supports the opposition movement in Burma. Due to its vulnerability, Rangoon has adopted a foreign policy of nonalignment that has transformed into isolationism (Neher, 1991: chap. 9).

Burma's military expenditures for 1991 were \$1.28 billion. It was the third lowest military budget in Southeast Asia, ahead of Brunei's and the Philippines' defense budget. However, Burma's defense expenditures were 35 percent of its national budget, the largest in East Asia.

Burma's active duty military force is the second largest in Southeast Asia, but Burma does not have a reserve force. Overall, Burma has the fifth largest military in Southeast Asia. Burma's army consists of 265,000 soldiers. It is the second largest army in Southeast Asia. The Burmese navy has no frigates or

submarines, but it does have 2 corvettes and 58 patrol boats. The Burmese air force consists of 12 fighter aircraft and 10 armed helicopters.

Burma has had ethnic insurgencies since it gained its independence from Britain in 1948. There are non-Burmese ethnic groups that want autonomy from the Burmese government because they do not feel they belong to the Burmese nation-state. When China and Burma signed a border trade agreement in 1988, China ceased supporting insurgencies in Burma. The first rebel faction to be effected by this was the Communist Party of Burma (CPB). After being cut off from Chinese supplies, the CPB was forced into a truce with Rangoon. Rangoon agreed to supply the CPB with food, gasoline and kerosene in exchange for a ceasefire. The CPB broke up into four ethnic armies after a mutiny erupted against the CPB's aging Maoist leaders. Rangoon allowed the four groups to keep their weapons and their control over their respective areas.

The arrangement between Rangoon and the CPB became a design for future negotiations with other Burmese rebels. Rangoon has made similar deals with the Shan State Army, the Pa-O National Army, the Palaung State Liberation Army, and the 4th Brigade of the Kachin Independence Army (KIA). The other three brigades of the KIA are under great pressure from China to negotiate with Rangoon. The KIA controls most of the countryside of north Kachin.¹⁰²

A collective organization exists in that represents twenty ethnic rebel armies and underground groups. It is called the Democratic Alliance of Burma (DAB). It has been Rangoon's policy not to negotiate with DAB since

¹⁰² Bertil Linter, "Neighbors' Interests: China and Thailand to Mediate in Burma's Civil War," *Far Eastern Economic Review*, April 1, 1993, p. 28.

1988. Some rebel groups, such as the Karen National Union (KNU), refuse to recognize individual agreements made outside of DAB. Rangoon has been able to make progress in negotiations without going through DAB. In February 1993, secret peace talks were conducted between Rangoon and the Kachins. These talks were held in Myitkyina, the Kachin state capital. The Kachins has asked for a nationwide ceasefire and that follow on negotiations include other rebel groups.¹⁰³

Burma is ruled by an authoritarian military government which represses its people. SLORC's military concerns are centered around keeping its autocratic government in power. Its military is primarily designed for counterinsurgency. SLORC is determined to keep the United States and the United Nations from interfering in Burmese internal affairs. In May 1989, Senator Daniel Patrick Moynihan criticized SLORC's intensified offensive against the Karen rebels. He issued a statement urging international mediation to halt what he referred to as a civil war. The Burmese government objected to Senator Moynihan calling Burma's insurgency a civil war, and made it clear it thought the United States had no grounds to interfere in the internal affairs of Burma.¹⁰⁴ Similarly, Congressman Dana Rohrabacher's proposal to provide funds to aid to fleeing Burmese students was interpreted by SLORC as an attempt by the United States to aid Burma's insurgents.¹⁰⁵

¹⁰³ "Burmese Maze," *Far Eastern Economic Review*, March 18, 1993, p. 9.

¹⁰⁴ "Newspapers Respond to U.S. Senator Moynihan," *BBC in Burma*, May 15, 1989. Translated and published in *FBIS East Asia Daily Report*, May 16, 1989, p. 22.

¹⁰⁵ Mya Win, "Interference in Myanmar Internal Affairs," *Working People's Daily*, July 4, 1989, pp. 6, 7, 11. Translated and published in *FBIS East Asia Daily Report*, July 11, 1989, pp. 48-50.

China's ties with Burma are growing increasingly stronger. In 1989, China and Burma signed a \$1.2-1.4 billion arms deal. In October 1992, Chinese engineers completed a bridge over the Shweli River on the Sino-Burmese border. This bridge has been primarily used to transfer light infantry weapons, mortars and rocket launchers from China to Burma. China is also planning on improving northern Burma's infrastructure. China's interests in Burma have shifted from supporting rebels against the Burmese government to gaining control over SLORC through economic, military, and political means.¹⁰⁶

The U.S. military presence is not welcomed by the Burmese government because it does not want interference from the United States in the region. Burma has accused the United States Navy operating in the Andaman Sea of intruding into Burmese territorial waters with the objective of blatant interference in the internal affairs of Burma.¹⁰⁷

H. CAMBODIAN MILITARY CONCERNS

Cambodia is struggling to survive as a nation-state. It is the weakest state in Southeast Asia. The current conflict in Cambodia can be traced back to the 1960's, during the Vietnam war. Cambodia's head of state, Prince Norodom Sihanouk, allowed North Vietnamese and Viet Cong forces to enter Cambodia, against the advice of the Cambodian army. The Vietnamese presence became so great that it occupied almost one quarter of the

¹⁰⁶ Bertil Linter, "Rangoon's Rubicon: Infrastructure aid tightens Peking's Control," *Far Eastern Economic Review*, February 11, 1993, p. 28.

¹⁰⁷ "U.S. Naval Intrusion in 1988 Reported," *BBC in Burma*, April 4, 1989. Translated and published in *FBIS East Asia Daily Report*, April 5, 1989, p. 34.

Cambodian territory.¹⁰⁸ When Sihanouk traveled to Moscow in 1970, he was ousted by the Cambodian National Assembly and replaced by General Lon Nol. The Lon Nol regime was incapable of expelling the Vietnamese and incapable of governing the country. The exiled Sihanouk supported rebels that opposed the Lon Nol government, and Cambodia fell into civil war.

The Khmer Rouge, a nationalist group, overturned the Lon Nol government. The leader of one of the Khmer factions, Pol Pot, became the leader of Cambodia. He was an authoritarian who ran the country with brutal policies. Pol Pot attempted to purify Cambodia for socialism by executing, starving, or working to death many Cambodians. In December 1978, Vietnamese forces invaded Cambodia and the Khmer Rouge fled to the Cambodian mountains. Vietnam began its occupation of Cambodia, and the Vietnamese-installed Cambodian government was constantly fighting Khmer Rouge forces.

Vietnam withdrew its troops from Cambodia in 1989. In 1990, the U.N. Security Council agreed to allow the transfer of temporary control of Cambodia to the U.N. in an attempt to end the civil war. In this transitional period Cambodia is represented by a Supreme National Council (SNC), with the four Cambodian factions having equal representation. The four factions are the Khmer Rouge (KR), State of Cambodia (SOC), Khmer People's National Liberation Front (KPNLF), and the United National Front for an Independent, Peaceful, and Cooperative Cambodia (FUNCINPEC).

¹⁰⁸Clark D. Neher, *Southeast Asia in the New International Era*, (Boulder, Colorado: Westview Press, 1991), p. 178.

An election for Cambodia was held in May 1993. FUNCINPEC won the majority of the votes for the 120 member constituent assembly. This elected government is planned to replace the SNC and UNTAC by the end of 1993.

Cambodia is being torn in shreds by its civil war. Until Cambodia can resolve its internal conflict and establish a functional government that represents the entire state, it will be difficult to determine the official Cambodian stance on U.S. foreign policy in the post-Cold War era. It is doubtful that Cambodian leaders have given much thought to regional or global power vacuums when their own state is experiencing internal security vacuums. It is safe to say that the Cambodian factions, with the possible exception of the Khmer Rouge, want the United States to continue its support of the U.N.'s peace efforts in Cambodia.

I. LAOTIAN MILITARY CONCERNS

Laos is a weak state, both economically and militarily. The Laotian government has been further weakened by the fact that it has lost its economic and military support from the Soviet Union and Vietnam (Johnson, 1993). China, the strongest remaining communist country, seems reluctant to replace the Soviet Union as the protector of communism in Laos.¹⁰⁹ Laos' most pressing security concern is not external, but internal. The Laotian government has had an insurgency problem from the Hmong highlanders since the communists took control of the government in 1975. However, the Hmong only present a rural security problem and do not threaten the continued rule of the party (Johnson, 1993: 79). The Laotian

¹⁰⁹ *Asia 1993 Yearbook*, p. 153.

government believes that the Hmong may be Thai supported. Also, during the Vietnam War the United States supported the Hmong rebels and some Hmong are U.S. citizens.

The United States poses a threat to the ruling Lao People's Revolutionary Party (LPRP). The LPRP sees the United States as the world leader in the movement to overthrow the remaining socialist countries (Johnson, 1993: 81). The United States has a history of intervening in Laotian political arena on the side of the right-wing. In the 1950's, the United States went so far as to sponsor a coup against the Laotian head-of-state, because he was too much of a "neutralist."¹¹⁰

Laos also has a border dispute with Thailand that has resulted in an ongoing military stand-off between the two countries. This dispute included a three month war between Laos and Thailand in 1988. The tensions have greatly eased since 1991 when Thai officials proposed that both sides withdraw troops from the disputed area. Laotians still fear that Thailand, with its history of aggression against its smaller neighbors, might attempt to decimate Laos (Neher, 1991: 207).

In Southeast Asia, only Brunei has less available manpower that is fit for military service. Laos's population between the ages of 15-49 is 946,289, of which 509,931 are fit for military service. The actual size of the Lao military is 37,000 personnel, the second smallest in Southeast Asia. The Lao People's Army (LPA) has 33,000 soldiers and the air force has 29 MiG-21s. Most of the military hardware in Laos is from the Eastern Bloc. Laos has lost the support of the Soviet Union and Eastern Europe, so Laos' military equipment is most

¹¹⁰ Clark D. Neher, *Southeast Asia in the New International Era*, p. 198.

likely suffering from lack of spare parts and poor maintenance. China does provide Laos with some military assistance.

The Lao government does not want a United States military presence anywhere in Southeast Asia. It feels the U.S. presence does not bring stability to the region. Laotians feel that the United States' military presence in Southeast Asia is an obstruction in the path that would bring peace and stability to the region.¹¹¹ Laos does not want the United States to play the role of policeman in the region. In fact, the Lao government questions the true motive behind the United States' presence in Southeast. Laotians believe that the Americans have been using Southeast Asia as a "springboard" to defend the United States' national interests and to suppress the people of Laos, Vietnam, and Cambodia.¹¹²

J. VIETNAMESE MILITARY CONCERNS

The communist government of Vietnam is being drawn towards ASEAN because both ASEAN and Vietnam are defending against threat of Chinese expansionism in the South China Sea (Simon, 1993: 14). Vietnam's major security threat comes from China. China and Vietnam have a disputed maritime boundary in the Gulf of Tonkin, and China invaded and still occupies the Vietnamese claimed Paracel Islands. The largest threat to Vietnamese interests is posed by Chinese expansionism in the Spratly Islands. Vietnamese claims in the Spratlys could provide this country with a source of

¹¹¹ "Southeast Asia—the Path to Establishment of Lasting Security," *Vientiane Domestic Service*, November 14, 1989. Translated and published in *FBIS East Asia Daily Report*, November 15, 1989, pp. 40-41.

¹¹² Ibid.

off-shore oil. Vietnam currently occupies twenty of the Spratly Islands, most of which are little more than surfaced reefs.

In 1988, China took control of six Vietnamese islands in the Spratlys and sunk three Vietnamese transport ships in the process. Since then China has been fortifying its military presence on the islands. In February 1992, the Chinese National Assembly passed a law that stated that all the Spratly Islands were Chinese territory. In June China signed a contract with Crestone Energy Corporation, a U.S. company, for oil exploration in the area of the Spratly Islands that is claimed by Vietnam. In July Chinese military forces occupied another of the Vietnamese claimed islands in the Spratlys. Chinese patrol boats had also been intercepting Vietnamese cargo vessels leaving Hong Kong. Vietnam charged China with stepping up pressure on the smaller Southeast Asian countries because the Soviet and United States naval presence in the region has greatly diminished.¹¹³ The decrease in aid from the Soviet Union to Vietnam has made Vietnam very vulnerable to Chinese aggression (Neher, 1991: chap. 10).

Vietnam's domination of Indochina has dissipated. Cambodia and Laos have been the cornerstones of Vietnamese security policy, but in the post-Cold War period their importance to Vietnamese security has diminished (Avery, 1993: 73). Vietnam's national interests are moving away from subregional domination, and toward its own economic prosperity.

Vietnam's defense expenditures in 1992 were 4.4 percent of its GDP and 16 percent of its national budget. Compared to other Southeast Asian countries,

¹¹³ *Asia 1993 Yearbook*, p. 222.

Vietnam ranks third in defense spending as a percentage of its national budget, and ranks forth in defense spending as a percentage of GDP.

Vietnam has the largest military in Southeast Asia. It consists of 857,000 active duty personnel. The next largest military in Southeast Asia is Thailand's, which consists of 283,000 active duty personnel and 500,000 reservist. Vietnam has the third largest navy in Southeast Asia, consisting of 7 frigates and 55 patrol boats. The Vietnamese air force has 60 attack aircraft and 125 fighter aircraft, making it the largest air force in Southeast Asia. However, the aircraft in this air force are made up older Soviet made planes that require considerable maintenance. A democratic Russia has little interest in supporting Vietnam militarily, so it is probable that the Vietnamese navy and air force are deteriorating due to lack of maintenance and spare parts (Simon, 1993: 8). The Vietnamese army, with 700,000 soldiers, is the largest in Southeast Asia. The next largest army in Southeast Asia is Burma's 265,000 personnel army.

The Vietnamese government does not want a U.S. military base in Southeast Asia. In September 1991, the Vietnamese government stated that it opposed the renewal of the lease on the United States military base at Subic Bay.¹¹⁴ A Vietnamese official said; "Whatever the result of the upcoming vote, the political climate...in the region and in the world has created a situation that is not favorable to maintaining or reinforcing the U.S. military presence in the country."¹¹⁵

¹¹⁴ "Daily Opposes U.S. Forces in Philippines," *Hong Kong AFP*, September 13, 1991. Published from *FBIS East Asia Daily Report*, September 13, 1991, p. 77.

¹¹⁵ Ibid.

K. MILITARY SUMMARY

Most Southeast Asian security concerns are now linked to maritime considerations such as SLOC and EEZ protection. The shift from counterinsurgency to conventional weapons to protect maritime interests shows that externally sponsored communist insurgency is a minimal concern to the Southeast Asian states, and the protection of maritime interests is becoming a priority.

Although countries in the region are generally calling for a reduced presence of U.S. military forces, they still feel that the United States should remained engaged in East Asia. By maintaining a military presence, the United States may alleviate any suspicions and fears of a regional hegemon appearing. In this context, many Southeast Asian countries feel that the United States' security agreement with Japan is vital to stability in the region.

III. ECONOMIC CONCERNS

American security policy makers are assuming that the United States' economic involvement in Southeast Asia enhances United States influence in the region. These policy makers hold the view that East Asian countries are very dependent on access to the American market for their export oriented economies. It is true that in the 1970s and 1980s the East Asians benefited from American investment to build their own economies. In the 1990s however, states in the region have become less dependent on the American market and Americans have become more dependent on East Asian markets (Bosworth, 1993). East Asians continually look to each other for growing proportions of their markets. The United States' friends and allies in Southeast Asia are not bound to the United States by economic ties alone. The United States is becoming a relatively small player in intra-Asian trade and investment (Oxnam, 1993: 60). The shortcoming of national security policy is that the current United States' security strategy in East Asia does not fully integrate economic policy (Ellings and Olsen, 1992: 127).

Another security assumption made by American policy makers is that nondemocratic regimes are incompatible with market economies. American strategists believe political pluralism is eventually the partner of market economies and economic growth tends to promote democratization, and sustained economic reform is not possible without political pluralism (Baker, 1991: 8). If one were to examine the civil rights records of our friends and

allies in the East Asian region and then compare that to the economic achievements of those countries, it would become apparent that political pluralism and economic reform may not be so closely bound together.

A. BRUNEIAN ECONOMIC CONCERNS

Brunei has an entrepreneurial based market economy. Its natural resources are crude oil, natural gas and timber, and its economy is almost totally supported by its export of oil and natural gas. Oil and gas accounts for over 50 percent of the Brunei's GDP.¹¹⁶ Brunei has a labor force of only 89,000 people, including the military. Its major industries are petroleum, petroleum refining, liquefied natural gas, and construction.

Brunei's GDP is the smallest in ASEAN and ranks third lowest in all of Southeast Asia. Brunei's GDP real growth rate was approximately five percent in 1990, which was the seventh largest in Southeast Asia. However, Brunei has the highest per capita income in all of Southeast Asia, and in 1990 it had a \$500 million trade surplus. Also, Brunei's foreign reserve holdings of \$27 billion is the second largest in Southeast Asia.¹¹⁷

Brunei's 1990 exports were estimated to be \$2.2 billion of crude oil, liquefied natural gas and petroleum products. Japan accounted for 53 percent of Brunei's exports in 1990; Britain 12 percent; South Korea nine percent; Thailand seven percent; and Singapore five percent. Brunei imported approximately \$1.7 billion of machinery, transportation equipment,

¹¹⁶ Central Intelligence Agency, *The World Factbook* 1992, p. 51.

¹¹⁷ All economic data presented in this thesis was compiled from *Regional Outlook: Southeast Asia 1993-94* (Singapore: Institute of Southeast Asian Studies, 1993); the CIA *The World Factbook* 1992; and the *Asia 1993 Yearbook*.

manufactured goods, food, and chemicals in 1990. Singapore accounted for 35 percent of Brunei's imports; Britain 26 percent; Switzerland nine percent; the United States nine percent; and Japan five percent.

Brunei is a country dependent on exports of oil and gas. These natural resources are estimated last for another 20-25 years. Brunei's stated goal is to become less dependent on its oil exports by diversifying its economy. The government announced its Sixth National Development plan in mid-1992. This plan calls for establishing industrial projects to develop a manufacturing base and developing the agricultural, fishing and fisheries sector.

Brunei has integrated its economic policy with its national security policy. The country's wealth is used as an instrument of foreign policy to buy political influence, such as providing foreign aid in return for being allowed to acquire sophisticated weaponry (Menon, 1989: 199). Brunei's strategy is to build diplomatic links and participate in ASEAN to attract future foreign investment (Neher, 1991: 138).

Democracy does not exist in Brunei (Neher, 1991: 135). Its government is a constitutional sultanate, which is an absolute monarchy. The sultan is supreme; he can integrate policies as he sees fit. Since Brunei gained its independence from Britain in 1984, all provisions of its constitution have been banned. Brunei's legal system is based on Islamic Law. The political parties in Brunei are the Brunei United National Party, which is inactive, and the Brunei National Democratic Party, which has been banned. The last legislative election in Brunei was held in 1962. However, Brunei is second only to Japan in per capita income in all of East Asia. Even though the monarchy guarantees its people no civil rights what so ever, it remains

determined to provide a comfortable life for its people. The government provides all medical services and subsidized food and housing for the populace.

U.S. economic involvement in Southeast Asia has little affect on Brunei. The United States' imports from Brunei are minimal, accounting for only nine percent of all Brunei's exports. The United States' economic involvement with Brunei does little to enhance U.S. influence in the region, and Brunei is not economically bound to the the United States.

Brunei, as one of the United States' "friends" in Southeast Asia, has a government that runs counter to U.S. ideals for the region. Its has no political pluralism whatsoever, but yet it has the largest per capita income in Southeast Asia. It should be pointed out that Brunei is growing increasingly closer to the Philippines, and American ideas of civil rights are filtering into Brunei through the Filipinos. Brunei contradicts the U.S. policy makers' assumption that political pluralism and economic reform are closely bound together.

B. INDONESIAN ECONOMIC CONCERNS

Indonesia's has a market economy with some degree of government planning, but the government has recently placed an emphasis on deregulation and private enterprise.¹¹⁸ Indonesia's natural resources are crude oil, tin, natural gas, nickel, timber, bauxite, copper, fertile soils, coal, gold, and silver. It has a labor force of 67 million people. Indonesia's major industries

¹¹⁸Central Intelligence Agency, *The World Factbook* 1992, p. 158.

are petroleum, textiles, mining, cement, chemical fertilizers, plywood, food and rubber.

Indonesia's 1991 GDP of \$116.16 billion was the largest in Southeast Asia. Its 6.8 percent GDP real growth rate in 1991 was the third largest in Southeast Asia. Indonesia's 1991 GDP was down from its 7.4 percent growth in 1990, but its average over the last three years is 7.1 percent. Indonesia had the fifth largest Southeast Asian per capita income in 1991.

In 1990, Indonesia's exported \$25.7 billion in goods: 40 percent in petroleum and liquefied natural gas; 15 percent in timber; seven percent in textiles; five percent in rubber; and three percent in coffee. The Japanese market accounted for 40 percent of these exports; the United States 14 percent; Singapore seven percent; and the European market accounted for 16 percent. Indonesia's export performance is determined to a large extent by the economies of Japan, the United States, and the European Community (EC).¹¹⁹

Indonesia's 1990 imports totaled \$21.8 billion in goods and services: 39 percent in machinery; 19 percent in chemical products; and 16 percent in manufactured goods. Japan accounted for 23 percent of Indonesia's imports and the United States 13 percent.

Japanese new foreign investment in Indonesia in 1991 totaled \$929 million, which accounted for 10.6 percent of Indonesia's foreign investment. American new foreign investment in Indonesia in 1991 totaled \$276 million, which accounted for 3.1 percent of Indonesia's foreign investment.

President Sukarno, the first leader of Indonesia, developed a "revolutionary" economic system that was isolationist and was manipulated

¹¹⁹ United States National Committee for Pacific Economic Cooperation, *Pacific Economic Outlook 1992-93* (San Francisco: The Asia Foundation, 1992), p. 26.

to meet ideological goals. Indonesia's second and current leader, President Suharto, replaced this economic system with a more rational economic system so that economic development would become the "yardstick" by which the legitimacy of his regime would be measured (Neher, 1991: 95). Suharto's ambitions are to diversify Indonesia's economy away from its dependence on oil exports and develop a strong manufacturing base.

In the 1980's, Indonesia changed its economic policy from import substitution to an export based policy that promoted foreign investment in Indonesia. In the past, Indonesia has imposed stiff restrictions on all foreign investors. The Indonesian government's move in April 1991, to allow 100 percent foreign-owned operations to be set up in Indonesia signifies that it is adjusting to the fact that Indonesia can not continue to rely so heavily on its cheap labor force to attract overseas capital (MacIntyre, 1993: 208). The government's ease in foreign investment regulations applies to projects valued above \$50 million and to those in designated areas in eastern Indonesia.

One of Indonesia's economic goals is to reduce its national debt. In September 1992, Indonesia's former Finance Minister Ali Wardhana estimated his country's foreign debt to be \$78 billion.¹²⁰ Private commercial loans are the fastest growing segment, making up approximately 30 percent of the debt. The Indonesian government has formed the Commercial Overseas Loan Team to regulate state enterprises' foreign borrowing. Japan provides

¹²⁰ *Asia 1993 Yearbook*, p. 134.

about 75 percent of Indonesia's offshore borrowing, and Singapore is another major source of funds for Indonesia.¹²¹

A major problem facing Indonesia is its infrastructure. Its infrastructure is not developing fast enough to keep up with the economy. There is a shortage of electrical power grids and telecommunication networks that is hampering the growth of Indonesia's industrial base.

The government of Indonesia is more authoritarian than it is democratic. It is a country seeking to balance an open political and economic society with the advantages of an authoritarian system. Indonesia is an example of a country whose economic performance is greatly responsible for its regime's legitimacy (Neher, 1991; chap. 5).

Indonesia has a significant human rights problem. The most recent incident occurred on November 12, 1991, in Dili, the capital of East Timor. Indonesian troops fired upon separatist demonstrators. Indonesia annexed East Timor in 1976, and the United Nations, many Western countries, and East Timorese do not recognize Indonesia as East Timors' administrator. President Suharto's own investigation commission stated that the soldiers had killed 50 demonstrators, injured 91, and 90 people are still missing. Trials for East Timorese demonstrators were held throughout 1992, with sentences ranging from six months to life. Jakarta has taken a stand that it will refuse any foreign aid that is tied to human rights. This is meant to send a message to Westerners that aid will not be used as a "tool of pressure" on human rights, and for them not to sit in judgment of Indonesia's domestic policies.¹²²

¹²¹ Henny Sender, "New Boy's Challenge," *Far Eastern Economic Review*, April 1, 1993, p. 73.

¹²² *Asia 1993 Yearbook*, p. 132.

The Indonesian government believes that a United States military presence is necessary to maintain stability in Southeast Asia, but believes more that the U.S. presence should be in the form of economic and trade cooperation. Indonesian Foreign Minister Ali Alatas has stated that his government's view of international security is now often influenced by economic, social, and ecological issues.¹²³ Foreign Minister Alatas stated that the region prefers to see a U.S. presence in Southeast Asia in the form of economic cooperation, trade, investment, and the transfer of technology. Indonesians feel that the American military presence in the region will be ineffective if it is not supported by an American economic presence. The Indonesian government wants an American presence that will assist the Southeast Asian countries to transform into NICs. Foreign Minister Alatas has stated that the United States presence is needed in the region to help facilitate the transformation of countries in this region into industrialized ones.¹²⁴

Even though Japan may have an overwhelming economic presence in Southeast Asia, Indonesia still perceives the United States as the major economic force in the region. An article entitled "The U.S. Election and Us," appeared in the October 29, 1992, *Jakarta Post*, which stated:

Not only is the U.S. the only remaining superpower today, it also remains the locomotive of the globe's economic activities. Its power to decide where the world's economy should be directed is still great.¹²⁵

¹²³ "Alatas Says Trade Preferred Over U.S. Bases," p. 28.

¹²⁴ "What Kind of U.S. Presence Continues To Be Needed in Asia," p. 30.

¹²⁵ "The U.S. Election and Us," *Jakarta Post*, October 29, 1992, p. 4. Published in *FBIS East Asia Daily Report*, November 9, 1992, p. 40.

Also, the Indonesian government feels that a healthy U.S. economy has positive effects for Indonesia. Indonesia's Trade Minister, Arifin Siregar, said he believes that President Clinton's policies to improve his country's economy through increased investment and education program for the workers will bring about positive impacts on the global economy. "If the U.S. economy improves, that country will buy more of Indonesia's commodity goods."¹²⁶

Even though the United States is not the dominant economic force in Southeast Asia, the American economy still is a major factor for Indonesia. The Indonesian government wants the United States to have an economic presence in the region and is seeking U.S. investment. A common Indonesian perception is that the United States' economic presence in Southeast Asia may have just as much of an effect on regional stability as an American military presence. Thus, the United States' economic involvement in Southeast Asia does enhance the United States' influence with Indonesia.

C. MALAYSIAN ECONOMIC CONCERNS

Malaysia has an export orientated, light industry, economy. Its natural resources are tin, crude oil, timber, copper, iron ore, natural gas, and bauxite. Its labor force consist of about 7.2 million people. Malaysia's major industries are logging, petroleum production and refining, agriculture processing, rubber and oil palm processing and manufacturing, light manufacturing

¹²⁶ "Minister: Clinton Not To Adopt Protectionism," *Jakarta Radio Republik Indonesia*, November 7, 1992. Translated and published in *FBIS East Asia Daily Report*, November 9, 1992, p. 39.

industry, electronics, and tin mining and smelting. Malaysia has become the world's third largest producer of semiconductors.¹²⁷

Malaysia's 1991 GDP of \$93.7 billion was the second largest in Southeast Asia. Its 8.8 percent GDP real growth rate in 1991 was the largest in Southeast Asia. This was the fourth consecutive year Malaysia's growth exceeded eight percent. Also, Malaysia had the third largest Southeast Asian per capita income in 1991.

In 1991, Malaysia exported \$39.8 billion in goods and services: 77.9 percent in manufactured goods, including electronics and textiles; 10.2 percent in petroleum; 4.5 percent in palm oil; 4.1 percent in timber; and 2.5 percent in rubber. Singapore is Malaysia's largest export market, followed by the United States, Japan, and the EC. Malaysia's 1991 imports totaled \$30.1 billion in goods and services: 71.7 percent in capital equipment; 21.1 percent in consumer goods; 6.8 percent in food; and 0.5 percent in crude oil. Its largest importer is Japan, followed by the United States, Singapore, Germany, and Great Britain. Malaysian exports to the United States consist of manufactured goods, electronic component parts, crude oil, apparel and clothing, rubber, and palm oil. U.S. exports to Malaysian consists of machinery, transport equipment and chemicals.

Japanese new foreign investment in Malaysia in 1991 totaled \$423 million, which accounted for 20.9 percent of Malaysia's foreign investment. American new foreign investment in Malaysia in 1991 totaled \$159 million, which accounted for 7.9 percent of Malaysia's foreign investment. U.S. investment

¹²⁷ Central Intelligence Agency, *The World Factbook 1992*, p. 212.

in Indonesia is mainly concentrated in offshore oil and gas production, manufacturing, electronic components, and insurance.

Malaysia's economic goals are to deepen its manufacturing base; foster small and medium business links to foreign controlled operations to overcome Malaysia's "assembler" status; resolve its balance of payments deficit; and promote government withdrawal from economic planning and ownership.

Malaysia is suffering from capital shortages, and the rise in the value of the ringgit has diminished Malaysia's currency advantage. Japan and Taiwan have reduced their foreign investment going to Malaysia due to their own troubled economies. Japanese investment has dropped by 25 percent in 1991, and Japan is putting its plant expansion in Malaysia on hold.

Malaysia's huge economic growth has caused a strain on its infrastructure and a shortage in skilled labor. Malaysia has suffered large power outages and bottle necks on its roads and in its ports. Its labor shortage has caused Malaysia's manufacturing sector to lag behind demands.

Prime Minister Mahathir wants to broaden Malaysia's economic nationalism to an economic regionalism. He supports the adoption of the ASEAN Free Trade Area (AFTA), and he is the originator of the East Asian Economic Caucus (EAEC). Mahathir developed the concept of the EAEC to counter other regional trade blocs such as the EC and the North American Free Trade Area (NAFTA).

The EAEC was originally proposed by Mahathir as the East Asian Economic Group (EAEG). This initial proposal made the EAEG a trade bloc. The Bush administration condemned Mahathir's EAEG in late 1991, because

of its protectionists overtones. The EAEG was downgraded to a less-protectionist caucus after it failed to receive support from some ASEAN members and Japan. Mahathir has stated that the United States' intervention is the primary reason the EAEG was not able to gain a consensus in the region.¹²⁸ Japan offered very little support for Mahathir's proposal because it desired not to upset U.S.-Japanese relations. Indonesia openly opposed the EAEG because it felt it was too confrontational. The Indonesian government did state it would support the establishment of the EAEC as long as it was part of the Asia Pacific Economic Cooperation (APEC) process.¹²⁹ The EAEC has not been adopted by ASEAN, but it is being kept under consideration by the ASEAN leaders.

Mahathir would like to see developing countries less dependent on the financial institutions of developed countries. He proposed "bilateral payment schemes" to aid developing countries to outmaneuver the financial institutions of the United States and Europe (Case, 1993: 192).

Since the late 1980s, analysts have noticed two distinctive trends in Malaysia: increasing political authoritarianism and rapid economic growth. The ruling party, the United Malays National Organization (UMNO), has implied that these two trends are tied together. UMNO has increasingly manipulated polls to strengthen its control. Malaysia's economic success has earned Mahathir much political support and has spread complacency that has demobilized strong societal challenges (Case, 1993).

¹²⁸ Azman Ujang, "Accuses U.S. of Racist Policy," *Bernama*, October 14, 1992. Published in *FBIS East Asia Daily Report*, October 14, 1992, p. 31.

¹²⁹ *Asia 1993 Yearbook*, p. 162.

The United States' opposition to the EAEG and the EAEC has been the prominent issue in Malaysian-U.S. economic affairs. Malaysian Foreign Minister Abdullah Badawi said the U.S. should not oppose the EAEC but instead provide the opportunity for ASEAN countries to discuss the proposal and decide on the best way of implementing it. He was commenting on a statement by Secretary of State James Baker's that the U.S. wanted to remain friendly with ASEAN even though it opposed the EAEC.¹³⁰

Malaysians view the United States' opposition to the EAEC as a double standard. Malaysia's International Trade and Industry Minister, Datuk Sri Radidah Aziz, said that the United States, which initiated NAFTA, should not hinder the establishment of the EAEC, which would not be protectionist. She stated: "NAFTA tends to be protectionist by according special treatment to every Mexican item entering the U.S. and Canadian markets...EAEC is not designed to become a power but to serve as a forum to promote cooperation without certain regulations or restrictions." Rafidah said that the U.S. protest against the EAEC was also groundless because that country is not located in the region.¹³¹

Malaysia objects to a strong, direct U.S. military presence in Southeast Asia, but it acknowledges a need for a U.S. military presence in Southeast Asia. Malaysia's Defense Minister, Datuk Sri Mohamed Najib Razak, has stated: "The question of security should not be viewed from a narrow perspective, such as touching on conflicts, but should be linked to the

¹³⁰ "Minister: U.S. Stand on EAEC Unacceptable," *Bernama*, November 15, 1991. Published in *FBIS East Asia Daily Report*, November 15, 1992, pp. 22-23.

¹³¹ "U.S. Urged Not to Hinder creation of EAEC," *Berita Harian*, August 17, 1992, p. 23. Translated and published in *FBIS East Asia Daily Report*, August 21, 1992, pp. 25-26.

question of the well-being as well as the social and economic development of the region."¹³²

The dispute over the EAEC has not turned Malaysian opinion against the country's bilateral economic relationship with the United States. Malaysian business leaders expressed concerns that economic ties between Malaysia and the U.S. might be strained by Prime Minister Mahathir's attacks on Washington for opposing the EAEC.¹³³ In March 1992, the *Voice of Malaysia* broadcast the following:

According to a U.S. report released by the U.S. Department of Commerce says that bilateral trade relations between Malaysia and the U.S. are steadily rising. Malaysia has every reason to feel satisfied with the expansion of its trade volume with the mighty economic superpower-more so as the U.S. trade with Malaysia constitutes about 20 percent of its total trade with the six ASEAN countries.¹³⁴

Even though the EAEC is a heated issue between Malaysia and the United States, Malaysian officials assure Washington that the atmosphere surrounding the EAEC issue will not interfere with the substance of bilateral ties.¹³⁵ Malaysians point out that bilateral trade has expanded tenfold over the past decade and the United States is one of Malaysia's most important trading partners. Minister Badawi said he saw no reason why differences over the EAEC would effect relations. Badawi said the U.S. rejection of the EAEC proposal would not hurt ties so long as Washington confined its

¹³² "No Major Threat In Sight," p. 42.

¹³³ "U.S. Officials Dismiss EAEC Discord Concerns," *Hong Kong AFP*, January 13, 1992. Published in *FBIS East Asia Daily Report*, January 14, 1992, p. 43.

¹³⁴ "Radio Hails Bilateral Trade Ties With U.S.," *Voice of Malaysia*, March 5, 1992. Published in *FBIS East Asia Daily Report*, March 6, 1992, p. 19.

¹³⁵ *Asia 1993 Yearbook*, p. 162.

disagreement to that issue. He also said the U.S. should be "democratically sporting and not use the EAEC to launch a confrontational stance against us in other fields of cooperation."¹³⁶

D. PHILIPPINE ECONOMIC CONCERNS

The Philippines has a market economy, but it is dominated by monopolies, oligopolies, and corruption. It is the only ASEAN state that has not benefited in the economic prosperity of the region (Stubbs, 1992: 401). The Philippines' natural resources are timber, crude oil, nickel, cobalt, silver, gold, salt, and copper. Its labor force consist of about 24.1 million people. The Philippines' major industries are textiles, pharmaceuticals, chemicals, wood products, food processing, electronics assembly, petroleum refining, and fishing.

The Philippines' 1991 GDP of \$45.2 billion was the fourth largest in Southeast Asia. Its -0.9 percent GDP real growth rate and its per capita income in 1991 were the second lowest in Southeast Asia.

In 1991, the Philippines exported \$8.7 billion in goods and services: 19 percent in electrical equipment; 16 percent in textiles; 11 percent in minerals and ores; ten percent in farm products; ten percent in coconuts; and four percent in forest products. The United States market accounted for 36 percent of the Philippines' 1991 exports; the EC 19 percent; Japan 18 percent; and ASEAN 7 percent. The Philippines is the world's largest exporter of coconuts and coconut products.¹³⁷ The Philippines' 1991 imports totaled \$12.3 billion: 53

¹³⁶ "U.S. Officials Dismiss EAEC Discord Concerns," p. 43.

¹³⁷ Central Intelligence Agency, *The World Factbook* 1992, p. 275.

percent in raw materials; 17 percent in capital goods; and 17 percent in petroleum products. The U.S. accounted for 25 percent of the Philippines 1991 imports; Japan 17 percent; the EC 11 percent; ASEAN 10 percent; and the Middle East ten percent.

Japanese new foreign investment in the Philippines in 1991 totaled \$210 million, which accounted for 26.8 percent of the Philippines' foreign investment. American new foreign investment in the Philippines in 1991 totaled \$87 million, which accounted for 11.1 percent of the Philippines' foreign investment.

The economic goal of the Ramos administration is to increase economic relations with its neighboring Asian countries. The government's key priority is to attract foreign investment, specifically to the former U.S. Navy base at Subic Bay (Brillantes, 1993: 228). The Philippines hopes to convert this facility to an industrial area. On President Ramos' visit to Tokyo, he specifically asked the Japanese to invest in the area under a "build-operate-transfer" infrastructure project. Ramos is trying to edge his country into the regional economic race, and avoid being bypassed by the sort of foreign investment his country's economy needs.¹³⁸ The Philippines' infrastructure is among the worst in Southeast Asia.

Four factors make the Philippines not attractive to foreign investors: poor infrastructure; local and bureaucratic corruption; high crime rate and kidnappings; and governmental instability. Filipino corruption is indigenous, reaching its peak during the Marcos administration. Corazon Aquino's administration was plagued with coup attempts and kidnappings of

¹³⁸ John McBeth, "New Pastures Nearby: Ramos Looks to His Neighbours in the Post-US Era," *Far Eastern Economic Review* April 1, 1993, p. 15.

foreign nationals by insurgents for political reasons. President Ramos must solve these problems, as well as corruption, if the Philippines is to attract foreign investment.

A major problem inhibiting the Philippine's economy is its unreliable energy production. It is not uncommon in the Philippines to have six to eight hour power outages. It has been estimated that these power outages cost Philippine companies \$8 million for a four hour outage, and \$16 million for six hour outages.¹³⁹ President Ramos's plans to alleviate this problem includes deregulating the energy sector and privatizing government firms such as the National Power Corporation. In March 1992, the Philippine government and Westinghouse Electric Corporation came to an agreement on the reconstruction and repair of the nuclear power plant on Bataan. The Bataan Nuclear Power Plant (BNPP) was completed in 1985, but was declared unsafe to operate. BNPP has never been operational. The Philippine government hopes to have the 620 megawatt power plant operational in three years to avert power shortages on Luzon.

The September 16, 1991, Philippine Senate vote to end the United States' base leases had a detrimental effect on the Philippine economy. The United States pullout cost 78,000 Filipinos to lose their jobs, and a loss in about \$481 million in yearly compensation.¹⁴⁰ The loss of the bases also reduced the United States' incentive to provide aid to the Philippines. The initial U.S. pledge to the Multilateral Aid Initiative (MAI), for the Philippines, was \$200

¹³⁹ Alex B. Brillantes, Jr., "The Philippines in 1992: Ready for Take Off?" *Asian Survey*, February 1993, p. 227.

¹⁴⁰ *Ibid.*, p. 228.

million annually. The MAI figure has been reduced since the base closure to \$40 million.¹⁴¹

Among the East Asian countries, the Philippines' type of government is the closest to that of the United States.' The Philippines Businessmen's Conference asked Singaporean Senior Minister Lee Kuan Yew for advice on how the Philippines should proceed in order to achieve economic take-off. Lee told them American style democracy would not work in the Philippines, and what was needed was more discipline. Filipinos interpreted this to mean the Philippines should adopt a form of authoritarianism similar to what Lee had imposed in Singapore (Brillantes, 1993: 228). President Ramos promptly disregarded this advice because the Philippines had an authoritarian regime under Ferdinand Marcos, which proved to be disastrous for the Philippine economy.

Of the total \$8.7 billion in Philippine exports in 1991, the United States and Japan combined, accounted for over \$4.6 billion. The Philippines aspires to be less reliant on these two export markets. Philippine Trade Secretary Rizalino S. Navarro said the Filipino strategy is to develop non-traditional markets, but at the same time continue to strengthen ties with the Philippines traditional trading partners. "To me, the two biggest threats to our export picture are the concentration of almost 50 percent of exports in only two countries."¹⁴²

Even though the Philippines is attempting to become less reliant on the American market, Filipinos are eager to strengthen economic ties with the

¹⁴¹ *Asia 1993 Yearbook*, p. 193.

¹⁴² "Trade Minister: Cut Dependence on U.S., Japan," *Business World*, February 11, 1993, p. 1. Published in *FBIS East Asia Daily Report*, February 11, 1993, p. 45.

United States. Prior to the 1992 U.S. Presidential election, Foreign Affairs Secretary Roberto Romulo stated that the Philippines will continue to seek "mutually beneficial relations" with the United States independent of the outcome of the Presidential elections. "Regardless of who wins the elections, the Philippines and U.S. have to enhance its mutually beneficial relations, particularly in trade and economics."¹⁴³

After the Clinton victory in the Presidential election, Senators Blas Ople and Rodolfo Biazon said they felt that the election of Bill Clinton indicated a brighter future both for the Philippines and the world. They hope that the victory would improve United States-Philippine ties and that it would greatly enhance world trade.¹⁴⁴ Philippine Senator Gonzales stated that the Clinton Administration will be concentrating on resuscitating its country's trade and fiscal deficits, "and I don't think that it will sacrifice its national priority interest to give special attention to the Philippines."¹⁴⁵ However, he added that if the U.S. can be able to "resuscitate" its economy, "it is expected that it will have a spill-over effect onto the country."¹⁴⁶ Senator Blas Ople, the chairman of the chamber's foreign relations committee, said:

¹⁴³ Carlito Pablo, "Romulo Says U.S. Ties To Be Maintained," *Malaya*, November 3, 1992, p. 1. Published in *FBIS East Asia Daily Report*, November 3, 1992, p. 53.

¹⁴⁴ "Senators, Communist Leader React," *ABS-CBN Broadcasting Corporation DZMM*, November 4, 1992. Translated and published in *FBIS East Asia Daily Report*, November 4, 1992, p. 46.

¹⁴⁵ Ramoncito P. dela Cruz, "Senators Optimistic for 'Warmer' Ties," *Business World*, November 5, 1992, p. 12. Published in *FBIS East Asia Daily Report*, November 5, 1992, pp. 41-42.

¹⁴⁶ *Ibid.*

President-elect Clinton brings to his office in Washington a fresh credibility and a new clout which, if successfully used, can be applied for restarting the global economy, and bringing the GATT (General Agreement on Tariffs and Trade) Uruguay Round of talks to a successful conclusion...the Philippines, which is suffering from a flat economic growth rate, will be one of the beneficiaries.¹⁴⁷

The Philippine government believes that the United States' economy remains the most influential force in the global economy and any economic gain in the American economy would directly effect the Philippine economy.

President Ramos' letter of congratulation to Bill Clinton for winning the Presidential election contained a sentence that said: "As you chart a new course for the United States, the Filipino people hope that the historic ties between our two countries will grow even stronger and move toward a new era of RP-U.S. relations based on economic cooperation, mutual support, and democratic commitment."¹⁴⁸ In Ramos's address at the ceremony marking the final withdrawal of U.S. troops from the Philippines he said:

...Turning to Philippine-American relations, let me say in plain, unmistakable terms that we have a continuing community of strategic and economic interests with the United States. This central fact of life transcends fluctuations in the political and psychological climate of Philippine-American relations. It denotes invariable constraints in bilateral affairs, which neither country can ill-afford to subordinate to transient considerations and ephemeral exigencies.¹⁴⁹

Pablo Suarez, Philippine Ambassador to Washington, said the Philippine Foreign Service Institute was preparing a draft of the Philippine position for the Mutual Defense Treaty's review, that would make economic relations

¹⁴⁷ Ibid.

¹⁴⁸ "Ramos Comments on Clinton Victory, U.S. Ties," *DZXL Radio Mindanao Network*, November 4, 1992. Published in *FBIS East Asia Daily Report*, November 4, 1992, pp. 44-45.

¹⁴⁹ "Address by President Fidel V. Ramos at the Subic Bay Base Closure Ceremony," p. 38.

with the United States the Philippine priority. "We should not talk of access but investments because experience points to the fact that when investment is made in our country, these companies will flourish."¹⁵⁰

Philippine National Security Advisor Jose Almonte stated that the United States is the largest market for East Asian exports and influences the economies of the countries in the region.¹⁵¹ Secretary Romulo has stated:

We recognize President Clinton's basic concern, for the United States to regain her economic strength so she can continue leading the world. We do want him to succeed in fully reinvigorating the U.S. economy. A strong American economy benefits everybody directly, just as a sluggish one dampens other economies, such as ours, which depend much on the U.S. market.¹⁵²

It should be noted that there remains strong ties between the Philippines and the United States. The United States is very much a part of Filipino history, and there still is a positive influence between the two countries created by the great number of Filipinos in the United States and Americans in the Philippines.

E. SINGAPOREAN ECONOMIC CONCERNS

Singapore has an entrepreneurial economy with a vibrant service and manufacturing sectors. Singapore's natural resources are fishing, its deep water ports and geographic location on the SLOCs connecting the Pacific to

¹⁵⁰ "Government Ready To Review Treaty With U.S.," *Manila Broadcasting Company DZRH*, July 28, 1992. Translated and published in *FBIS East Asia Daily Report*, July 29, 1992, p. 31.

¹⁵¹ Liana J. Santos, "Almonte: U.S. Still 'Huge Factor' in Stability," p. 55.

¹⁵² Jose G. Ebro, "Romulo Sees U.S. Economic Growth as Benefit," *Business World*, January 19, 1993, p. 1. Published in *FBIS East Asia Daily Report*, January 21, 1993, p. 52.

the Indian Ocean. Its labor force consist of about 1.48 million people.

Singapore's major industries are petroleum refining, electronics, oil drilling equipment, rubber processing and rubber products, processed foods and beverages, ship repair, trade, financial services, and biotechnology.

Singapore's 1991 GDP of \$43.2 billion was the fifth highest in Southeast Asia. Its 6.7 percent GDP real growth rate was the fourth largest in Southeast Asia in 1991. Also, Singapore's per capita income in 1991 was the second highest in Southeast Asia.

In 1991, Singapore exported \$57.8 billion in goods and services: 68.7 percent in machinery and transport equipment; 21.5 percent in mineral fuels; and one percent in manufactured goods. The United States market accounted for 20 percent of the Singapore's 1991 exports; Malaysia 15 percent; Japan nine percent; Hong Kong seven percent; and Thailand six percent. Singapore is the world's largest center for making computer disk drives.¹⁵³ Singapore's 1991 imports totaled \$65.8 billion in goods and services: 57.6 percent in machinery and transport equipment; 17.3 percent in mineral fuels; and 16.2 percent in manufactured goods; and 8.9 percent in chemicals. Japan accounted for 21 percent of Singapore's 1991 imports; the United States 16 percent; Malaysia 15 percent; and Taiwan four percent.

Japanese new foreign investment in Singapore in 1991 accounted for 29 percent of the Singapore's foreign investment, and American new foreign investment in the accounted for 39.4 percent of the Singapore's foreign investment.

¹⁵³ *Asia 1993 Yearbook*, p. 201.

Singapore's economic growth and political stability over the last twenty years has been impressive, but its lack of natural resources, small domestic market, reliance on foreign trade and investment, and tight labor market make Singapore vulnerable to external economic developments (Mutalib, 1993: 197). The Singaporean government's primary economic goal is to sustain high growth rates. It is pursuing this through enhancing Singapore's "competitiveness," strengthening traditional markets, and searching for new markets.

Singapore sees the means to its goal of increasing its competitiveness as upgrading the competence level of its people and improving its standard of living. Approximately 86 percent of all Singaporeans live in public housing and the government has plans to spend \$9.2 billion in improving these quarters in the next fifteen years.¹⁵⁴ Singapore's traditional markets, such as the United States and the EC, are vital to Singapore's economic growth, but these markets can inhibit Singapore's economy if they were to experience contraction. The economic slow down in the U.S. and the slashing of computer prices has had an adverse effect on Singapore's manufacturing sector.¹⁵⁵ Singapore is pursuing new markets in the region, such as Burma, China, and Vietnam, to diversify its interests. Singapore is now the third largest foreign investor in Vietnam.

Singapore is being ruled by an authoritarian style, one party political system. The People's Action Party (PAP) has been the ruling party since Singapore broke from Malaysia and became its own nation-state. Ironically,

¹⁵⁴ Ibid., p. 200.

¹⁵⁵ Ibid., p. 201.

Singaporeans want more political pluralism but will only trust the PAP to govern the country.¹⁵⁶ As mentioned previously, when Singapore's "senior minister" Lee Kuan Yew told the Philippines Businessmen's Conference that what the Philippines needed to discard American style democracy because it would not work in the Philippines, the Filipinos interpreted this to mean the Philippines should adopt a form of authoritarianism similar to what Lee had imposed in Singapore. Lee believes that for a country to achieve economic take-off it needs social planning and discipline, which American democracy does not provide. Singapore can be classified as a state rule by an authoritarian regime which achieves its legitimacy by its economic success. If any state exemplifies the complexities of linking democracy and economic growth, it is Singapore.

Lee Kuan Yew feels that East Asians must form their own model of governance, and that Western values can not be applied to Confucian societies. Lee uses China as an example of why Western values are inert with East Asian values.

The economy in China is, by and large, capitalist but the polity is not, as in the West, liberal democratic. To many Westerners, this is a contradiction... What is improper is to say that East Asia cannot have a model of its own, there being eventually a single universal pattern of economic and political development for all countries...it would be unfortunate if the West were to view the East Asian political economy as a threat to its power, much as communism was seen till recently.¹⁵⁷

Singapore's economic ties with the United States are strong, and the Singaporean government believes U.S. economic involvement in Southeast

¹⁵⁶ *Regional Outlook: Southeast Asia 1993-94*, p. 17.

¹⁵⁷ "Let Asia Be Asia," *The Straits Times*, May 14, 1992, p. 28. Published in *FBIS East Asia Daily Report*, May 18, 1992, p. 31.

Asia enhances American influence in the region. Singapore relies on the U.S. economy to support its own, and it feels that the U.S. economy has the most influence on the global economy. Singapore's Finance Minister, Dr. Richard Hu, said if President Clinton succeeds in rejuvenating the U.S. economy, it will bode well not only for Asia but also the rest of the world.¹⁵⁸

F. THAI ECONOMIC CONCERNS

Thailand has an export orientated, market economy. Thailand's natural resources are tin, rubber, natural gas, tungsten, tantalum, timber, lead, fish, gypsum, lignite, and fluorite. Its labor force consist of about 30.8 million people. Thailand's major industries are tourism, textiles and garments, agricultural processing, beverages, tobacco, cement, and light manufacturing. Thailand is the world's second largest tungsten producer and third largest tin producer.¹⁵⁹

Thailand's 1991 GDP of \$92 billion was the third largest in Southeast Asia. Its 7.7 percent GDP real growth rate was the second largest and its per capita income in 1991 were the fourth highest in Southeast Asia.

In 1991, Thailand exported \$27.5 billion in goods and services: 62 percent in machinery and manufacturing; 28 percent in food; and seven percent in crude materials. The United States market accounted for 23.4 percent of the Thailand's 1991 exports; Japan 17.2 percent; Singapore 7.3 percent; Germany 5.3 percent; Hong Kong 4.8 percent; Great Britain 4.4 percent; and the Netherlands 4.3 percent. Thailand's 1991 imports totaled \$39 billion: 67

¹⁵⁸ "Minister Says U.S. Not To Turn Protectionist," *Singapore Broadcasting Corporation*, November 5, 1992. Published in *FBIS East Asia Daily Report*, November 6, 1992, pp. 38-39.

¹⁵⁹ Central Intelligence Agency, *The World Factbook* 1992, p. 336.

percent in machinery and manufacturing; ten percent in chemicals; nine percent in fuels; and six percent in crude materials. Japan accounted for 30.2 percent of Thailand's 1991 imports; the U.S. 12 percent; Singapore 6.9 percent; Taiwan five percent; Germany 4.8 percent; and China 3.2 percent.

Japanese new foreign investment in Thailand in 1991 totaled \$272 million, which accounted for 35.1 percent of Thailand's foreign investment.

American new foreign investment in Thailand in 1991 totaled \$109 million, which accounted for 14.1 percent of Thailand's foreign investment.

The Thai government's aspiration is to become the financial center for economic development for the Southeast Asian mainland (Stubbs, 1992: 402). However, Thailand's political instability and public unrest in 1992 have restrained Thai ambitions. Protests broke out in Thailand over the nomination of army commander General Suchinda Kraprayoon as Prime Minister. Suchinda resigned from the army and became Prime Minister. In May, pro-democracy forces clashed with the military forces and these forces opened fire on the protesters. As many as 52 civilians were killed and hundreds others injured. As a result of this unrest, trade orders were canceled, offshore financial institutions froze their credit lines and the Thai stock market fell. With intervention by Thailand's king, Thailand now has a democratically elected government, but the violence in May has damaged Thailand's international reputation.¹⁸⁰

The Thai government is making special efforts to lure back foreign investors and to prevent existing investors from canceling their existing

¹⁸⁰ *Asia 1993 Yearbook*, pp. 215-216.

plans in Thailand. Thai officials are also making efforts to maintain their export market from being affected by the May 1992 violence.

Another of Thailand's economic goals is to improve its infrastructure. Thailand's infrastructure has not been able to keep up with its high economic growth. The largest problem exists in Bangkok where the streets are always filled over their capacity. There are three mass-transit systems being planned, but they will not relieve Bangkok from its chaotic traffic jams until 1997.¹⁶¹

Thailand has a democratically elected government with Chuan Leekpai as Prime Minister. However, Thailand has spent much of the last three decades under military rule and martial law, with royal tolerance. The Chuan government was elected in September 1992, ending another period of military rule that began in February 1991. The Chuan government is fragile and it is expected to experience a number of economic problems that could destabilize the government (Suchit, 1993).

Although Thailand has not had much political pluralism in the past three decades, it has had much economic success. Thailand's high growth rate is expected to continue its upward trend and its export market, which is already large, is expected to expand.

There has been much trade friction between the the United States and Thailand. Most of this friction centers around intellectual property rights, pharmaceuticals, Thailand's labor laws, and financial services. Matters became so tense in late 1991 that Thai Commerce Minister Amaret Silaon threatened to resign if the National Legislative Assembly rejected the proposed Thai patent bill, or if the U.S. retained Thailand on its list of

¹⁶¹ Ibid., p. 218.

countries identified for retaliation. He stated: "Thailand's trading partners should be satisfied with the improvement in protection of intellectual property rights here than in the past with the revision of several laws."¹⁶² The U.S. was attempting to get Thailand to amend its Patent Act, and Thailand reciprocated. Afterward, Minister Amaret met with Carla Hills, the U.S. Trade Representative (USTR), about the progress the Thai Government was making on intellectual property rights. He later said: "The U.S. Administration should understand that it is impossible to do everything it has demanded because the (Thai) government must also act in the best interests of the country."¹⁶³

In December 1991, Carla Hills decided to terminate USTR's investigation into Thailand's protection of U.S. copyrights. Deputy Commerce Minister Pridiyathon Thewakun stated that "the termination of the investigation on copyright law enforcement would brighten the trade prospects between Thailand and the U.S. as the private sectors of both countries will regain confidence to trade."¹⁶⁴ Agriculture Minister Anat Aphraphirom said the termination of the investigation had defused tensions between Thailand and the U.S., which mainly affected Thailand's private sectors.¹⁶⁵

The Thai Commerce Ministry feels that the end of the Cold War and the increase in trade pressure from the United States justifies adjustment in the

¹⁶² "Amaret To Resign if U.S. 'Pressure' Continues," *The Nation*, November 19, 1991, p. B1. Published in *FBIS East Asia Daily Report*, November 20, 1991, p. 60.

¹⁶³ "Commerce Ministry Asks U.S. 'Good Faith' Show," *Bangkok Post*, November 18, 1991, p. 17. Published in *FBIS East Asia Daily Report*, November 19, 1991, pp. 53-54.

¹⁶⁴ "Cabinet, Officials Express Elation," *The Nation*, December 20, 1991, p. B12. Published in *FBIS East Asia Daily Report*, December 20, 1991, pp. 48-49.

¹⁶⁵ *Ibid.*

Thai-U.S. relationship. The United States signed a treaty with Thailand in 1966 that afforded Americans special trade privileges. The Treaty of Amity and Economic Relations exempts Americans and American companies from many of the restrictions of the Thai Alien Business Law, which came into force in 1972. These exemptions include granting Americans the same treatment as Thais to engage in some professions and to operate wholly-owned companies in some service industries. The United States is the only country that receives these privileges. The Thai Foreign and Commerce Ministries were considering revising this treaty to make Americans subject to the Alien Business Law. The request to revise the treaty was motivated by the resentment of continual U.S. trade pressure, specifically threats on Thai exports because of the United States' dissatisfaction with Thai intellectual property rights protection and Thai trade barriers against banking and other service industries.¹⁶⁶

Thai officials have been searching for ways to increase Thailand's bargaining power, and the treaty's revision could be one method. Thai officials are considering how to gain more economic bargaining power by showing reluctance to grant the United States the military facilities they are seeking, if the United States continues what Thais perceive as U.S. aggression on trade issues. Thai officials believe they could do this and minimize damage to Thai-U.S. trade and investment because the Amity Treaty has had little impact on U.S. investment in Thailand, which lags far behind Japanese investment.¹⁶⁷ Thai Secretary-General of the Board of Investment, Stapon

¹⁶⁶ Peter Mytri Ungphakon, "Ministries Want To 'Restructure' U.S. Ties," pp. 48-49.

¹⁶⁷ "Ministries' Plans Could End Treaty Privileges," *Bangkok Post*, November 30, 1992, p. 21. Translated in *FBIS East Asia Daily Report*, December 2, 1992, p. 59.

Kawitanon, said that Thailand will not be alarmed if President Clinton's policies divert American investment from Thailand.

The U.S. invests only 0.4 percent of its total foreign investment in Thailand and only eight percent in all of Asia, so we are not seriously concerned by reduced American investment. The problem for us is that, if Clinton makes the U.S. market tougher to get into, this will have spill over consequences for other countries like Japan and Taiwan who invest heavily here in producing goods that are exported to America.¹⁶⁸

Deputy Prime Minister Suphachai Phanitchaphak feels that President Clinton's policies will create problems in trade negotiations between Thailand and the United States. He said the U.S. President is more of a protectionist in terms of national economy, therefore trade negotiations will not be better than those in the past, especially when it concerns the enforcement of Section 301. Suphachai wants Thailand to be prepared and look for new markets. However, Suphachai does feel that if President Clinton keeps his campaign promise to revive the U.S. economy, it will benefit the world economy.¹⁶⁹

Thai Foreign Minister Prasong Sunsiri stated that President Clinton's emphasis on giving highest priority to tackling the United States' domestic economy is a policy that will not only benefit the United States but also the entire world. He said the size of the U.S. economy is so large that a strong U.S. domestic economy will bring an end to the world recession. Foreign Minister Prasong said it is unlikely that there will be any change in Thai-U.S. relations and he is confident that political relations between the two countries

¹⁶⁸ Thitinan Pongsudhiwak, "Preparedness for Clinton Trade Measures Urged," *The Nation*, November 18, 1992, p. B3. Published in *FBIS East Asia Daily Report*, November 18, 1992, p. 29.

¹⁶⁹ "Deputy Premier Views Impact on Trade," *Bangkok Voice of Free Asia*, November 3, 1992. Translated and published in *FBIS East Asia Daily Report*, November 4, 1992, p. 52.

will be strengthened because Thailand is now a democratic country.¹⁷⁰ He points to the Thai September 1992 election as the beginning of a new era of democracy in Thailand.

Commerce Minister for the Chuan administration, Uthai Phimchaichon, said he feels Thai economic relations with the Clinton Administration will be stable.

The American people will have higher purchasing power if the U.S. economy improves. The U.S. is a big market for the world, including Thailand. From the economic point of view, I believe that it will be good for Thailand if the American people have higher purchasing power. But, on the other hand, the new president may have to protect the country's economy by being protectionist against some products since the U.S. is suffering a trade deficit. This may have some impact on Thailand. The U.S. has big trade problems with its major trade partners such as Japan, China, and the EC. Thailand is not that significant, compared to the problems the United States is facing. Thailand's relations with the U.S. are very close although Thailand is a small country. So, I believe the U.S. will take its good relations with Thailand into account in making any decision.¹⁷¹

In December 1992, The Thai government announced that it sees no need to review the Thai-U.S. Treaty of Amity and Economic Relations. The Thai Foreign ministry will not be taking any action to review or revoke the treaty.¹⁷² The Thai government also announced it intends to restore basic

¹⁷⁰ "Prasong Congratulates Clinton," *Bangkok Voice of Free Asia*, November 4, 1992. Translated and published in *FBIS East Asia Daily Report*, November 4, 1992, pp. 51-52.

¹⁷¹ "Commerce Minister 'Not Worried,'" *Radio Thailand Network*, November 4, 1992. Translated and published in *FBIS East Asia Daily Report*, November 5, 1992, pp. 45-46.

¹⁷² "Surin: No Plan To Review Amity Treaty With U.S.," *Siam Rat*, December 11, 1992, p. 3. Translated and published in *FBIS East Asia Daily Report*, December 11, 1992, p. 66.

rights to laborers so to avoid sanctions against Thailand through cancellation of its General System of Preferences (GSP).¹⁷³

G. BURMESE ECONOMIC CONCERNS

Like the Burmese government, the Burmese economy is controlled by the military. For instance, the control of money supply rests with the Ministry of Defense. The military may have control of the official economy, but the state exists on an informal, non-regulated, private economy (Steinberg, 1993).

Burma has been economically isolated because of its military government.

Burma's natural resources are crude oil, timber, tin, antimony, zinc, copper, tungsten, lead, coal, marble, limestone, precious stones, and natural gas. Its labor force consist of about 16 million people. Burma's major industries are agricultural processing; textiles and footwear; wood and wood products; petroleum refining; mining of copper, tin, tungsten, and iron; construction materials; pharmaceuticals; and fertilizer. Burma is the world's largest producer of opium.¹⁷⁴

Burma's 1991 GDP of \$7.72 billion was the fourth smallest in Southeast Asia. Its 2.7 percent GDP real growth rate was the third lowest in Southeast Asia, and its per capita income in 1991 was the fifth lowest in Southeast Asia.

In 1991, Burma exported \$568 million in goods: 37 percent in forest products; 30.8 percent in agricultural products; 5.7 percent in minerals and gems; and 5.5 percent in animal and marine products. These goods were exported to Southeast Asia, India, Japan, China, the EC, and Africa. Burma's

¹⁷³ "Government To Tell U.S. of Labor Plans," *Bangkok Post*, December 3, 1992, p. 13. Published in *FBIS East Asia Daily Report*, December 4, 1992, p. 41.

¹⁷⁴ Central Intelligence Agency, *The World Factbook* 1992, p. 56.

1991 imports totaled \$812.95 million: 34.6 percent in capital goods; 28.9 percent in raw materials, and 8.8 percent in consumer goods. These goods were imported from China, Japan, India, the EC, and Southeast Asia. China is Burma's greatest source of economic aid and trade. It is estimated that as much as 23 percent of Burma's 1991 imports came from China.¹⁷⁵ China has also been Burma's main supplier of military equipment since the establishment of the SLORC.¹⁷⁶

New foreign investment in Burma totaled \$831.5 million by June 1992. The United States accounted for 30.6 percent of Burma's foreign investment; Thailand 19.4 percent; Japan 14.7 percent; the Netherlands 9.6 percent; and Singapore 2.1 percent.¹⁷⁷ The United States' investments were in oil, gas, and fisheries.

From 1962 to 1988 Burma had a socialist economy. Burma's economic performance was so poor by 1987 that the United Nations labeled Burma a "Least Developed Country." Burma's economic growth was less than negative six percent. This was the major reason for the 1988 uprising, from which SLORC was formed. Once in control of the country, SLORC initiated a series of development programs. SLORC has passed a very liberal foreign investment law which allows foreigners 100 percent ownership of enterprises in Burma, and if the enterprise was a joint venture with a Burmese company the foreign investor had to maintain a minimum of 35 percent ownership. Socialism was replaced by free market enterprise, but government repression

¹⁷⁵ *Asia 1993 Yearbook*, p. 94.

¹⁷⁶ *Ibid.*

¹⁷⁷ David I. Steinberg, "Myanmar in 1992: Plus Ça Change . . .?" *Asian Survey*, February 1993, p. 181.

of human and civil rights remained. SLORC is concerned about its poor international reputation and is anxious to give the appearance that the regime is liberalizing its policies, so that it could receive greatly needed foreign aid (Steinberg, 1993: 183).

SLORC is encouraging foreign engagement in the Burmese economy. It is interested in developing joint ventures with foreign companies and promoting foreign investment. The Burmese government is hoping to develop its petroleum industry. It has given concessions to ten foreign firms for oil exploration in Burma, but thus far none of these concessions have produced any economic return.

SLORC has implemented changes to rejuvenate Burma's private sector. These changes are important for achieving higher economic development. However, the Burmese economy will be limited by SLORC's tight control of the political system (Neher, 1991: 152).

H. CAMBODIAN ECONOMIC CONCERNS

Cambodia has an agrarian based economy. The country is very poor and its economic progress has been retarded because of Cambodia's political and social upheaval. Cambodia's natural resources are timber, gemstones, iron ore, manganese, and phosphates. Its labor force consist of about 2.5-3.0 million people. Cambodia's major industries are rice milling, fishing, wood and wood products, rubber, cement, and gem mining.

Cambodia's 1991 GDP of \$930 million was the smallest in Southeast Asia. Its GDP real growth rate and its per capita income in 1991 were the lowest in Southeast Asia. Data on Cambodia's imports and exports is unreliable due to

unregulated border trade amongst the various factions and Cambodia's neighbors. Most of Cambodia's trade occurs with Thailand on their shared border.

Cambodia's economic goals are: (1) ending internal conflict; (2) establishing a state government; (3) developing a domestic economy; (4) controlling inflation; (5) attracting foreign aid and investment; (6) rebuild its infrastructure. Until a Cambodian government is formed, UNTAC has control over the country's ministries of finance, planning, and trade. Countries that are attempting to send foreign aid to Cambodia are finding it difficult to deliver this aid due to the restrictions on giving direct support to any one faction. The SOC has controlled the government structures necessary to run the economy, but they are not allowed to receive the aid. All aid is being received for Cambodia by UNTAC.

I. LAOTIAN ECONOMIC CONCERNS

Laos is one of the poorest countries in Southeast Asia. It has a communist government and has had a centrally planned economy with government control of all enterprises. However the Laotian government is attempting to reform the country's economy. As of June 1992, the government had sold 105 of its 604 state-owned enterprises. The Laotian government is encouraging private ownership of enterprises and is decentralizing economic planning. Laos's natural resources are timber, hydroelectric power, gypsum, tin, gold, and gemstones. Its labor force consists of about 1.5 million people. Laos's major industries are tin and gypsum mining, timber, electric power, agricultural processing, and construction.

Laos's 1991 GDP of \$550 million was the second smallest in Southeast Asia. Its 3.1 percent GDP real growth rate was the fifth lowest, and its per capita income in was the fourth lowest in Southeast Asia in 1991.

In 1991, Laos exported \$54.6 million in goods and services: 60.9 percent in logs and wood products; 31.1 percent in electricity; and 7.8 percent in coffee. These exports went to Thailand, Malaysia, and Vietnam. The collapse of the Soviet Union caused Laotian exports to fall by \$146 million from the previous year.¹⁷⁸ Laos's number one export, timber, is facing problems from environmental policy. The Laotian government has placed a ban on logging to prevent further deforestation of the country's woodlands. Laos's 1991 imports totaled \$210 million in food, fuel oil, consumer goods, and manufactured goods. These goods were imported from Thailand, the Soviet Union, Japan, France, Vietnam, and China; no goods are imported from the United States.

Laos received approximately \$120 million of aid in 1991 from the World Bank, the International Monetary Fund (IMF), the U.N., and various Western countries. Before 1991, Laos relied on the Soviet Union as its primary source of foreign assistance.

The Laotian government's goal is to decentralize its economy. The legitimacy of the ruling Lao People's Revolutionary Party is endangered because Laos has lost its economic ties and material support from the Soviet Union and the Eastern European countries (Johnson, 1993: 75). Laos has adopted an "open door" foreign investment policy, and is now seeking economic growth through foreign trade, aid, and investment from the West.

¹⁷⁸ *Asia 1993 Yearbook*, p. 155.

A limitation to Laos's economic revival will be its poor infrastructure and lack of major industry. Laos is receiving assistance from Australia to build a bridge across the Mekong River to connect Laos to roads in Thailand. However, there are few other roads that will be able to handle significant volumes of traffic. Other infrastructure problems inhibiting the Laotian economy are telecommunications, power, and railroads. Telephone connections are sparse and unreliable. Hydroelectricity is available only in limited areas and is unreliable due to low water levels in Laos. Also, there are no railroads in Laos.

Laos is a communist country that has been forced to open its society to the West in order to survive economically. To protect their rule, Laotian leaders are apprehensive about exposing the Lao people to this outside stimulus. As a result, Laos's political reform has not been in step with its economic reform. However, political change in Laos is underway in the form of a government structure reorganization and preparations for a National Assembly election. The United States economic involvement in Southeast Asia is now welcomed by Laos.

J. VIETNAMESE ECONOMIC CONCERNS

Vietnam is a country with a communist government and a centrally planned economy. Its economy has been very weak, but in 1992 the Vietnamese economy started to show signs of recovery. The U.S. has a trade embargo against Vietnam. It was first implemented against North Vietnam in 1965, and then applied to the entire country when it was reunified in 1975 by the North. This trade embargo is having debilitating effects on Vietnam's

economy. The Vietnamese government is attempting to reform its economy while maintaining its political status quo. Vietnam's natural resources are phosphates, coal, manganese, bauxite, chromate, offshore oil deposits, and forests. Its labor force consist of about 32.7 million people. Vietnam's major industries are food processing, textiles, machine building, mining, cement, chemical fertilizer, glass, tires, oil, and fishing.

Vietnam's 1991 GDP of \$9.5 billion was the fifth smallest in Southeast Asia. Its 3.8 percent GDP real growth rate was the fifth highest, and its per capita income was the third lowest in Southeast Asia in 1991.

In 1991, Vietnam exported \$1.97 billion in goods and services: 35.6 percent in crude oil; 13.5 percent in marine products; 9.5 percent in rice; 6.4 percent in forestry products; 1.9 percent in coal; 1.2 percent in coffee; and 0.8 percent in rubber. These exports went to Japan, Singapore, Hong Kong, Thailand, Eastern Europe, and the Soviet Union. The IMF estimates that Vietnam's exports to free market countries increased by 73 percent in 1990 and 1991. Vietnam's 1991 imports totaled \$2.24 billion: 23.4 percent in oil products; 18 percent in fertilizers; four percent in steel; and 3.8 percent in raw cotton. These imports came from Japan, Singapore, Hong Kong, Thailand, Eastern Europe, and the Soviet Union.

Despite the United States' trade embargo, the U.S.' friends and allies are providing economic aid and trade to Vietnam. Singapore and Japan are Vietnam's number one and number two trading partners, respectively. In November 1992, Japan announced that it was resuming \$370 million in commodity credits to Vietnam. Australia, France, Great Britain, and Italy are also providing aid to Vietnam. Thailand has signed an agreement on trade,

economic, and technical cooperation with Vietnam, and has offered Vietnam \$5.8 million in credits to purchase Thai goods and services. Malaysia has become Vietnam's largest foreign investor. The two countries have signed an agreement to conduct joint oil exploration in the area in the Gulf of Thailand where Vietnam's and Malaysia's maritime claims overlap. Most of all, Vietnam wants U.S. investments; and help.

Although Vietnamese leaders remain committed to building a socialist state under the Vietnam Communist Party (VCP), these leaders feel that if the VCP is to remain in power, it must pursue non-socialist economic policies to improve the Vietnamese economy (Avery, 1993). Vietnam began introducing free market reforms in 1986. In April 1992, the National Assembly passed a new constitution. This constitution reorganized and streamlined Vietnam's government structure, and it also institutionalize Vietnam's economic reform. These measures includes liberalizing private economic activity, and safeguards against nationalization of industries. Vietnam is also revamping its legal, taxing, and banking systems to make the country more attractive to foreign investors. It has taken steps to privatize the state-own enterprises, and make the remaining state-owned enterprises more efficient by not protecting them against market forces.

Vietnam has adopted a foreign policy of establishing foreign relations with any nation, regardless of ideology. This strategy is not based on promoting international socialism, but on maximizing economic opportunities for Vietnam. Vietnamese Foreign Minister Nguyen Manh Cam said the Vietnamese government's foreign policy aim is "to broaden its relations with all the countries in the world in service of peace and development in

Vietnam, as well as of peace and stability in the region and elsewhere in the world."¹⁷⁹ Vietnam's Ambassador to the U.N., Trinh Xuan Lang, said that Vietnam's economic policy has been "renovated" since their Seventh National Party Congress. He stated that the Vietnamese people are dedicated to continue this policy by "expanding all economic ties with all international organizations, foreign companies, and individuals on the basis of respect for independence, sovereignty, equality, and mutual benefit."¹⁸⁰

Vietnam is hoping to attract trade, aid, and investment from the West, but it is concentrating its attention on its East Asian neighbors. In July 1992, Vietnam signed the Bali Treaty, which gained Vietnam "observer status" in ASEAN. This is the first step for Vietnam in becoming a member of ASEAN. Indonesia, Singapore, Thailand, and Malaysia are encouraging Vietnam to privatize its economy, and the Vietnamese government has abandoned its previous ambition of forming an Indochina bloc as an alternative to ASEAN (Simon, 1993: 14).

Vietnam is a country with tremendous economic potential. The United States' trade embargo against Vietnam is the major road block preventing Vietnam's economic success. In order for Vietnam to achieve economic take-off, it needs aid from international lending institutions, foreign investment, and the ability to trade freely in the international market.

The Vietnamese government wants to put aside the memories of the Vietnam War and establish full diplomatic and economic ties with the United

¹⁷⁹ "More on Nguyen Manh Cam-Baker Meeting," *Hanoi VNA*, October 24, 1991. Published in *FBIS East Asia Daily Report*, October 25, 1991, p. 38.

¹⁸⁰ "Commentary Views Investment, U.S. Embargo," *Hanoi Voice of Vietnam*, September 16, 1991. Published in *FBIS East Asia Daily Report*, September 16, 1991, p. 68.

States. Vietnam's Deputy Prime Minister, Phan Van Khai, has said: "Vietnam maintains that the U.S. Government should soon change its decision, shake off the past, and lift the embargo in order to create favorable conditions for American investors to do business with Vietnam at a time when Vietnam's policy on economic cooperation is highly favorable to foreign investors."¹⁸¹

Phan Van Khai has also stated:

Vietnam's policy vis-a-vis the United States is clear and consistent. Vietnam's foreign policy is an open-door policy aimed at establishing friendly relations with all countries in the world. The United States is a major power with an important role in the world. Vietnam is prepared to establish and maintain relations of equality, mutual respect, and mutual benefit with all countries.¹⁸²

On December 14, 1992, the United States Government gave permission to U.S. firms to sign contracts with Vietnam. The Vietnamese Foreign Affairs Ministry said:

...this is a positive step toward normalization of the U.S.-Vietnamese relations. However, in the view of Vietnamese companies, they feel it difficult to develop practical relations with the U.S. partners if the contracts to be signed cannot take immediate effects. Vietnam hopes that the U.S. Government will take further steps to create conditions for companies to really do business from the Vietnamese market. That will not only benefit the U.S. companies but also meet the interests of the two people's.¹⁸³

¹⁸¹ "Phan Van Khai Meets U.S. Businessmen," *Hanoi Vietnam Television Network*, November 4, 1992. Translated and published in *FBIS East Asia Daily Report*, November 12, 1992, p. 62.

¹⁸² "Deputy Premier Comments on U.S. Ties," *Hanoi Voice of Vietnam*, November 6, 1992. Published in *FBIS East Asia Daily Report*, November 6, 1992, p. 55.

¹⁸³ "Hanoi Radio Comments," *Hanoi Voice of Vietnam*, December 16, 1992. Published in *FBIS East Asia Daily Report*, December 16, 1992, p. 55.

K. ECONOMIC SUMMARY

The United States does still play an influential economic role in Southeast Asia. It may appear that Japan might be overtaking the United States in economic involvement in the region, but most Southeast Asians admit that it is the U.S. market that is the motive force for both the regional and global economies.

Several of the United States' "friends and allies" illustrate that linking political pluralism and economic success is complex, and that there are no "black and white" cases where type of government can be directly attributed to a country's economic success. This shows that U.S. policy makers must be careful not to overgeneralize economic assumptions.

IV. POLITICAL CONCERNS

During the Cold War American perceptions were that Southeast Asia was strategically vital, but now that tensions have eased this importance has diminished (Crowe and Romberg, 1991: 136). In the post-ColdWar era the United States policy makers place Southeast Asia on the periphery of concerns to other regions because of their confidence that the countries in Southeast Asia are relatively supportive of U.S. political, economic, and security interests in the region. American policy makers are not likely to view the region as a whole, but are more disposed to focus their attention on each individual state. Thus, U.S. security commitments in Southeast Asia are regarded as secondary to those in other regions of the world (Neher, 1991). The problem is that American policy makers are assuming the United States' friends and allies in Southeast Asia are dedicated to the leadership of the United States.

As Southeast Asia becomes strategically less important to the United States, so will the United States' importance be to the Southeast Asians. The United States' friends and allies in Southeast Asia are not tightly bound to the United States by political ties. Asians are now less willing to submit to American views because the region is no longer dependent on the United States to protect the region from Soviet aggression, and East Asians are no longer waiting for the United States to provide leadership on matters affecting East Asian countries' national interests (Bosworth, 1993: 107).

The United States' friends and allies in Southeast Asia are ambivalent about any tightening of their alliances with the United States. In the view of some, the military threat in East Asia has diminished to a level that makes the United States' system of security alliances essentially obsolete (Ellings and Olsen, 1992: 117). Political integration in East Asia is less likely now that the Cold War is over because the region lacks a common threat (Ellings and Olsen, 1992: 118). The United States must not assume that its friends and allies in Southeast Asia will build an international environment conducive to perceived American values, but that the American view will build upon their own perceptions of "good government," regardless if it meets the United States' definition of a democracy. Southeast Asian policy makers do not share the American view that the nondemocratic regimes in the region should be isolated. Pro-democracy political forces exist within most nondemocratic countries. The idea that one promotes democracy and greater political openness by limiting diplomatic contacts with such countries is an error (Scalapino, 1991: 28).

The United States' friends and allies in Southeast Asia do not necessarily want to strengthen and extend the current United States system of defense arrangements. They may not even want to change it. The system of security alliances may be essentially obsolete (Ellings and Olsen, 1992: 117), but there is still no agreement on anything better. A multilateral approach to security issues in the region similar to the Conference on Security and Cooperation in Europe (CSCE) will not be formed easily, and any concept as grandiose as a Conference on Security and Cooperation in Asia (CSCA) will have to be approached incrementally over an extended period. Unlike Europe, in East

Asia there is a wide difference in perceptions of the nature and sources of threats by individual states (Johnston, 1992: 106; Baker 1991: 5). The basis for these diverse security concerns is intra-regional fears and suspicions (Baker, 1991: 3). The differential impact of the security changes caused by the end of the Cold War on the Southeast Asian states is tending to divide the members of ASEAN (Stubbs, 1992: 398).

It is unlikely that in the post-Cold War era Southeast Asian leaders want the United States to be the leader in encouraging cooperation in the region. The United States' security role in East Asia during the Cold War gave it tremendous political influence in the region. Now that the Cold War has ended the United States' political influence has declined (Bosworth, 1993). The United States' leverage in East Asia is insufficient to allow it to play the role of leader in the region (Ellings and Olsen, 1992: 128). In the East Asian view, the importance of the United States in the region is declining (Oxnam, 1993).

The United States needs to rise above its Cold War strategies and develop innovative security policies suited to the post-Cold War situation in East Asia (Scalapino, 1991). America's Cold War strategy for East Asia was based on a "eurocentric" world view. The United States' current security strategy for East Asia is not formulated to meet the post-Cold War environment in the region, but adapted from these "eurocentric" policies (Ellings and Olsen, 1992: 116). The United States' foreign policy is still based on concepts formulated during the Cold War (Bosworth, 1993: 107). The challenge now is to formulate an Asian policy based on the realities of the East Asia/Pacific world. A first step in that direction is the consideration of East Asian concerns and perceptions.

One significant addition to U.S. security policy in the post-Cold War era is the issue of human rights. Fostering the growth of human rights in East Asia has become a primary security interests (Department of Defense, 1992; and 1993). However, many of the United States' "friends and allies" do not share America's interpretation of human rights. If the U.S. Government chose to do so, it could target these "friends and allies" as human rights violators.

On broader national security concerns, the United States has added such concerns as narcotics trafficking, environmental issues, and refugee problems. The effects of drug trafficking to the United States are well known, and U.S. military forces started being used to stem the flow of narcotics to the United States during the Bush Administration. Particularly in Southeast Asia, the flow of refugees and environmental problems have caused regional instability that has potential for affecting U.S. national interests.

A. BRUNEIAN POLITICAL CONCERNS

Brunei became a sovereign state on January 1, 1984, when it gained its full independence from Britain. As mentioned in the previous chapter, Brunei is being ruled by a monarchy. There are no functioning political parties and there have been no elections in Brunei since 1962. There is very little prospect for democracy developing in Brunei in the near future and the sultan is taking further steps to consolidate the country's absolute monarchy.¹⁸⁴ However, the people of Brunei live a very comfortable life. Brunei has the second highest per capita income in East Asia and its

¹⁸⁴ *Asia 1993 Yearbook*, p. 89.

government provides for all medical services and subsidizes food and housing.¹⁸⁵

Brunei has no alliances with the United States. The only security proposal that exists between the two countries is Brunei's offer to provide access for U.S. military forces. It is not bound to the United States by any political ties. The Bruneian government encourages the United States to remain engaged militarily in the region, but does not want any formal alliance to be formed. There are currently no external threats to Brunei's national security that would require it to seek an alliance with the United States.

As for Brunei's role in the region, its diplomatic strategy is to survive by playing a neutral role in ASEAN and not offending any of its neighbors. Brunei has adopted a low-key foreign policy that is not proactive (Neher, 1991: 138). Malaysia and Singapore have been urging Brunei to join the Five Power Defense Arrangement (FPDA) which includes Australia, Britain, Malaysia, New Zealand, and Singapore. But Brunei hesitates because of offense that might be given to its powerful but jealous neighbor-Indonesia. At the same time Brunei is building its ties with Malaysia and Singapore.¹⁸⁶ Also, the Bruneian government has decided to join the Non-Aligned Movement (NAM).

Brunei's use of diplomatic initiatives to deter and neutralize threats is equally important to the country's national security as its military (Menon, 1989). Brunei does not believe that isolating communist countries diplomatically will make the region more stable. Brunei established

¹⁸⁵ Central Intelligence Agency, *The World Factbook* 1992, 51.

¹⁸⁶ From an Observer, "Brunei Darussalam in 1992: Monarchy, Islam, and Oil," *Asian Survey*, February 2, 1993, p. 202.

diplomatic relations with Vietnam and China at the ambassadorial level. Both Vietnamese Prime Minister Vo Van Kiet and China's Foreign Minister Qian Qichen have made official diplomatic visits to Brunei.

In the post-Cold War era, Brunei is less motivated to agree with U.S. political views because the threat of regional domination by communism no longer exists. The Bruneian government wants the United States to maintain its military presence in East Asia and increase its economic involvement in the region, but Brunei does not feel Southeast Asia needs the United States' political leadership. Brunei's unique form of government and its foreign policy is based on taking a neutral role and it is not likely that Brunei will seek political integration with other East Asian countries. If Brunei will not join the FPDA because it will offend one of its neighbors, it is unlikely that Brunei will be willing to join something as grandiose as a CSCA.

The United States' stance on communism, democracy and human rights in Southeast Asia differs from that of Brunei's. It is evident that Brunei does not agree with the United States' policy of isolating Vietnam. Also, based on Brunei's lack of a democratic government it is unlikely that it will support the United States' stance of promoting democracy and human rights in the region.

B. INDONESIAN POLITICAL CONCERNS

The origins of the current Indonesian government are authoritarian and militarily based. Indonesia gained its independence from the Dutch in 1949 after a revolutionary struggle. President Sukarno became Indonesia's first leader. Initially, the country moved towards Western-style democracy, but it

eventually ran into difficulties because it was not compatible with Indonesian culture. Sukarno referred to Western democracy as "chatter box" democracy. Sukarno moved his country's ideology towards socialism and strengthened the military. He was one of the founders and active leaders of the Nonaligned Movement. Sukarno adopted the Nationalist Party of Indonesia (PNI) as the state party and he banned most of the opposition parties. In 1965, the Gestapu coup occurred when a group of army officers attempted to overthrow Sukarno. General Suharto took command of the army and put down the coup. The two year period following the Gestapu coup, large numbers of Indonesians were killed in an attempt to purge dissidents. At first the killings were mostly aimed by the army at suspected communists, but eventually it crossed ethnic and religious lines. Suharto actually ran Indonesia after the coup and he took an anti-communist stance and greatly reduced Sukarno's powers. Sukarno died in 1970.

General Suharto's first step in solidify his leadership position was to purge all supporters of Sukarno in the military. Then he established the Golkar party to oppose communism in Indonesia. All government officials were forced to join Golkar. Suharto did allow opposition parties, but they were manipulated so that they could not challenge Golkar. Suharto forced four Muslim parties to merge into the United Development Party (PPP), and five other parties to merge into the Indonesian Democratic Party (PDI). Suharto's authoritarian government has gained legitimacy from the people of Indonesia through Suharto's success in developing Indonesia economically. Suharto did allow presidential and parliamentary elections in the 1970's and 1980's, but Golkar consistently received the majority of votes. Golkar's

success can be attributed to its access to resources that the opposition parties did not have, and Indonesia's sustained economic growth under Suharto leadership (Neher, 1991: chap. 5).

Indonesia is not bound to the United States by any political ties. There exists a large gap between Indonesia and the U.S. caused by the U.S. human rights policy. Indonesians claim that the United States tends to follow an interventionist policy, and even though American policy makers claim they do not want to be the world's policeman, Indonesians feel that U.S. actions prove otherwise.¹⁸⁷ Indonesians also feel that U.S. influence in the region has declined in the past several years primarily because the United States' negligence of its Southeast Asian policy.¹⁸⁸

Indonesia remains a strong supporter of ZOPFAN and the Southeast Asia Nuclear Weapons-Free Zone (SEANWFZ). Indonesia does not want to form a security alliance in the region. It is promoting ZOPFAN and SEANWFZ to ASEAN so the region will become a sovereign and stable zone free from external threats, conflicts and foreign interference. Indonesia points to Singapore and Thailand as the ASEAN members not in compliance with ZOPFAN because of their support for U.S. military presence in Southeast Asia.¹⁸⁹ Also, Indonesian interests in the Nonaligned Movement will override any considerations of forming alliances. In 1992, Suharto became the chairman of the NAM.

¹⁸⁷ "Fresh Air and Uncertainty Dominate U.S. Foreign Policy," *Kompas*, January 29, 1993, p. 4. Translated and published in *FBIS East Asia Daily Report*, February 11, 1993, pp. 40-41.

¹⁸⁸ *Ibid.*, p. 41.

¹⁸⁹ "The ZOPFAN Concept Should Be Reviewed," *Merdeka*, February 17, 1993, p. 4. Translated and published in *FBIS East Asia Daily Report*, February 26, 1993, pp. 40-41.

In the post-Cold War era, Indonesia does not fear external (communist) backing for its own insurgency threats. Indonesians are ready to accept Indochina into ASEAN, partially to strengthen a collective defense against China (Buszynski, 1992: 833).

Indonesians feel that the United States' policy of promoting democracy and human rights interferes in other countries' internal affairs. It is viewed as interventionist and unfair because it appears to some Indonesians that the United States is holding other countries to a double standard.¹⁹⁰

The United States cut \$2.3 million in military training assistance after the 1991 East Timor incident. In January 1993, members of the Indonesian House Commission I said Indonesia did not expect the United States to resume its military education assistance to Indonesia. Theo Sambuaga, a member of House Commission I, said:

In my opinion, the U.S. policy of stopping its military assistance to Indonesia last year because of the East Timor affair was a mistake. Indonesia's step in dealing with the Deli case was in keeping with the national as well as international laws.¹⁹¹

Indonesian officials claim that the United States should not impose its values on East Asian countries, and accuses the West of linking foreign aid to human rights issues. President Suharto said developed countries should not put economic pressures on lesser developed countries by tying their foreign aid with human rights, because the concept of human rights in the developed countries are entirely different from human rights as defined and insisted upon in the third world. President Suharto also said that every nation

¹⁹⁰ "Fresh Air and Uncertainty Dominate U.S. Foreign Policy," p. 41.

¹⁹¹ "Resumption of Aid Not Expected," *Antara*, January 22, 1993. Published in *FBIS East Asia Daily Report*, January 22, 1993, p. 34.

should be allowed to take its own initiative for human rights according to its own values and institutional system.¹⁹² Indonesians feel that most charges of human rights violations are not based on genuine concerns, but are politically taken advantage of in order to gain leverage in international relations.¹⁹³

Despite obvious rifts in Indonesian-U.S. relations caused by human rights issues, the relations between the two countries are stable and cordial. Nine months after the East Timor incident President Suharto described relations with the United States in positive terms. "The friendly relationship of both nations and states has created mutual and deep understanding of their respective position and interest, despite divergence of views over a number of issues."¹⁹⁴

On a final note: Indonesians are Moslems, and may resent the close ties between Israel and the United States. Indonesians believe that this pro-Israel bent accounts for American claims to leadership in the Middle East. Indonesia, along with China and a good many other Asians, want no part of a "new world order" based on American hegemony.

C. MALAYSIAN POLITICAL CONCERNS

Malaysia current head of state, Dr. Datuk Seri Mahathir bin Mohamad, is in the minority of Southeast Asian leaders who has achieved their position of

¹⁹² "Suharto Warns Against Linking Aid, Human Rights," *Antara*, January 26, 1993. Published in *FBIS East Asia Daily Report*, January 27, 1993, p. 39.

¹⁹³ "Official Urges 'Balanced' Human Rights Approach," *Antara*, March 30, 1993. Published in *FBIS East Asia Daily Report*, April 1, 1993, pp. 30-31.

¹⁹⁴ "Suharto Hails 'Closer' Ties With U.S.," *Antara*, August 11, 1992. Published in *FBIS East Asia Daily Report*, August 12, 1992, pp. 37-38.

leadership by stretching the limits of a democratic process. When Prime Minister Tun Hussein Onn became seriously ill in 1981, he resigned and was succeeded by Deputy Prime Minister Mahathir. Mahathir has been able to retain his power by winning in three consecutive mostly free and open elections.

Mahathir's rule was threatened following Malaysia's 1986 election. The political party that Mahathir belongs to, the United Malay National Organization (UMNO), suffered from vehement factionalism. An opposing faction challenged Mahathir's leadership. That following April, UMNO held an election in which Mahathir barely won. In reaction to this challenge to his authority, Mahathir purged all the opposition faction's members in his cabinet and from UMNO. Then Mahathir invoked Malaysia's Internal Securities Act to have people that were critical of the government arrested, and closed down several newspapers. The political trend in Malaysia is moving away from pluralism and towards authoritarianism as Mahathir and UMNO continues to dampen political contention (Case, 1993: 184).

Malaysia does not want any formal alliances or defense arrangements with the United States. The Malaysian government is the originator of the ZOPFAN concept and, like Indonesia, still has ambitions of implementing it. Malaysia values the presence of the United States military as a way of contributing towards a greater framework of cooperative peace, but the Malaysians feel there is no need for any larger or more formal arrangement.¹⁹⁵ Malaysia's Defense Minister Datuk Sri Najib Tun Razak has said that Malaysia was preparing to strengthen bilateral military cooperation with the United

¹⁹⁵ "No Major Threat In Sight," p. 41.

States, but it would not involve a new agreement. He has also stated that the end of the Cold War has made ASEAN leaders feel that conventional security pacts are obsolete, and there would be no need for an ASEAN military pact to further strengthen regional security. Minister Najib Razak said the best way to do this was through bilateral or multilateral cooperation.¹⁹⁶

Minister Najib Razak said Malaysia will continue to have defense cooperation with the United States as both parties benefit from it, but he made it absolutely clear there would be no misinterpretation of Malaysia's intentions by stating: "It (the servicing arrangement) is not a defense pact and will not become one."¹⁹⁷ Najib said the arrangement of servicing American military aircraft and ships at Malaysian facilities was a commercial undertaking. Najib was also sure to point out that Malaysia's cooperation was different from that between the United States and Singapore, which is a more elaborate agreement, including the stationing of personnel and hardware such as aircraft.¹⁹⁸

Malaysia does not want to build an international environment dominated by perceived American values. Prime Minister Mahathir desires to lead the developing countries in refuting the West's imposition of its democratic values, human rights, labor protection standards, and environmental issues on the developing countries (Case. 1993: 192). Mahathir is a firm proponent of regional cohesiveness, without dependence upon the United States. He

¹⁹⁶ "Minister on Expanding U.S. Military Cooperation," *Kuala Lumpur Radio Malaysia Network*, September 11, 1991. Translated and published in *FBIS East Asia Daily Report*, September 12, 1991, p. 40.

¹⁹⁷ "Minister Reaffirms Defense Cooperation With U.S.," *Bernama*, May 5, 1992. Published in *FBIS East Asia Daily Report*, September 12, 1991, p. 27.

¹⁹⁸ *Ibid.*

has developed a "Look East" policy that maintains that the West is not an appropriate model for Malaysia. Mahathir professes to prefer Japan to the United States as a role model. This policy states that Malaysia should follow the examples of the East Asian Newly Industrialized Countries (NICs), because their values are similar to those of Malaysia's (Neher, 1991: chap. 6).

Referring to the United States' stand on human rights, democracy, and the environment, Malaysian Foreign Minister Abdullah Haji Ahmad Badawi stated that the United States inclination for making rules for other countries will discourage international trust and confidence in its relations with other countries.

What causes deep resentment that sometimes borders on humiliation is that an informed body like (U.S.) Congress could pass a resolution or a law that impinges on the sovereignty of another country without caring two hoots about the conditions prevailing in that country... But some of these bills and resolutions, even if they are not adopted, create uncertainties and ill-feeling between our countries.¹⁹⁹

Malaysia does not want the United States to be the leader in encouraging cooperation in the region. Minister Badawi said the United States should not oppose the EAEC but instead provide the opportunity for ASEAN countries to discuss the proposal and decide on the best way of implementing it. He was commenting on Secretary of State James Baker's statement that the United States wanted to remain friendly with ASEAN even though it opposed the EAEC. Minister Badawi stated:

¹⁹⁹ "Badawi Criticizes U.S. 'Rules for Others,'" *Bernama*, October 1, 1992. Published in *FBIS East Asia Daily Report*, October 1, 1992, p. 23.

However, if the United States opposes the proposal at the outset, in my opinion it has no confidence in the political stability of ASEAN and in its capability to decide on what is best for itself and Asia. In this respect, I find it difficult to reconcile their attitude of friendliness towards ASEAN and at the same time display a lack of confidence in ASEAN's ability to decide on the EAEC.²⁰⁰

Minister Badawi is concerned that the United States, as the sole superpower, was using its influence to interfere in other countries' affairs. "This will be particularly so if such interference indicated that it did not respect and acknowledge the ability of small countries to manage their own affairs."²⁰¹

In the Malaysian government's view, the EAEC issue has damaged the United States' reputation as being an unbiased benign power. Referring to the United States' rejection of the EAEC, Prime Minister Mahathir said:

That country (the U.S.) will not just stop there. It may resort to a certain form of action and this means violating the concept of a free and independent nation... If the U.S. objects to the EAEC concept mooted by Malaysia, it should decide so on its own accord and not force other countries to back its decision."²⁰²

Malaysia Deputy Prime Minister Ghafar Baba urged the United States to allow East Asian countries to determine the fate of the proposed EAEC without having its influence bearing on them. Ghafar Baba said the anxiety of the United States over the setting up of the EAEC was baseless because he did not think that any country would want to confront it, and even if any member of

²⁰⁰ "Minister: U.S. Stand on EAEC Unacceptable," p. 23.

²⁰¹ Ibid.

²⁰² "Mahathir: U.S. Disrespectful of Others' Rights," p. 45.

the EAEC wanted to go against the United States the others would not follow suit.²⁰³

To compound things further, Malaysian officials view NAFTA as another U.S. tool to exert its influence in the region. Foreign Minister Badawi has criticized the United States for trying to divide Asian countries and described the Washington policy as a "divide and influence" strategy. He said that the United States' proposal to include Hong Kong, Singapore, and Taiwan in NAFTA amounted to an attempt to divide Asian countries. He urged fellow Asian countries to strengthen bilateral cooperation to counter the U.S. policy.²⁰⁴ Like many others, Malaysia would prefer a universal trading system like GATT, but if regionalism is to be chosen, Malaysia wants its own region.

Malaysia may want a United States military presence in Southeast Asia, but the Malaysian government does not trust the United States to solve conflicts in the region. Prime Minister Mahathir said any United States interference in the claims to the Spratly Islands would undermine negotiations to settle the situation.

We have agreed that the issue must be settled through negotiations. I think that such negotiations will be undermined if the United States interferes.²⁰⁵

²⁰³ "Ghafar Urges U.S. Noninterference With EAEC," *Bernama*, May 29, 1992. Published in *FBIS East Asia Daily Report*, June 1, 1992, p. 25.

²⁰⁴ "Malaysian Foreign Minister Criticizes U.S.," *Radio Malaysia Network*, October 16, 1992. Translated and published in *FBIS East Asia Daily Report*, October 19, 1992, p. 6.

²⁰⁵ "Mahathir Against U.S. Interference in Spratlys," *Berita Harian*, November 13, 1992, p. 2. Translated and published in *FBIS East Asia Daily Report*, November 18, 1992, p. 20.

D. PHILIPPINE POLITICAL CONCERNS

The current leadership of the Philippines has been democratically elected, but Philippine history has been marred with corrupt and authoritarian leadership in the period following its independence from the United States. The processes and principles of democracy in the Philippines are fundamentally flawed. Ferdinand Marcos was elected President of the Philippines in 1965. In 1972, President Marcos declared a state of emergency due to civil unrest and plots against the regime, and imposed martial law that lasted for nine years. In 1977, Marcos announced measures to ease martial law, but he retained power to rule by decree. In November of that year it was estimated that there were fifty thousand civilian deaths since 1972, due to fighting between the Philippine government and rebels.²⁰⁶ Marcos directed the end of martial law in 1981, but he was reelected for another six year term under questionable circumstances.

In 1985, President Reagan sent Senator Paul Laxalt to the Philippines to persuade Marcos to make economic and political reforms. Marcos decided to hold another election and invited United States personnel to observe it. Corazon Aquino, wife of Senator Benigno Aquino, announced her intention to run for president. Benigno "Ninoy" Aquino was Marcos' most ardent political opponent and had much of the popular support in the Philippines. He was imprisoned when Marcos declared martial law; spent almost eight years in jail; and then was exiled to the United States for reasons of poor health. He was assassinated in the Manila airport upon his return to the Philippines in 1983.

²⁰⁶ Stanley Karnow, *In Our Image: America's Empire in the Philippines* (New York: Random House, 1989) p. 440.

A new election was held on February 7, 1986. President Marcos declared an early victory. The next day, Corazon Aquino claimed her own victory in the election and charged Marcos with massive fraud. Both sides charged that the votes were manipulated and denied any tampering by their respective supporters. President Reagan, supporting the Aquino claim, offered Marcos political asylum in the United States. Marcos was persuaded to resign and was given asylum in Hawaii.

President Aquino had faced six coup attempts during her presidency, all of which failed. The first occurred on August 28, 1987, staged by a Colonel in the AFP. The last occurred on December 1, 1989, attempted by army rebels. President Bush ordered American F-4 fighters to take to the air as a token of his support for President Aquino.

The American bases in the Philippines became a point of friction between the United States and the Philippines in the 1990's. The new Philippine Constitution, adopted during the Aquino Administration, prohibited the stationing of foreign military personnel in the Philippines unless it was covered under a treaty. The United States' lease on Clark Air Force Base and Subic Bay Naval Station was going to end in 1992. Negotiations for continued American use of these facilities became a means for the Philippine government to manipulate the United States for increased foreign aid.

The value of the bases was greatly diminished in June 1991, when Mt. Pinatubo erupted. Both Clark Air Force Base and Subic Bay were heavily damaged. It was determined that it would not be cost effective to rebuild Clark Air Force Base. Pessimistic that the base leases were not going to be extended, Congresswoman Patricia Schroeder, chairman of the House Armed

Services Subcommittee on Military Installations and Facilities, reasoned:

"...What's the point of spending a fortune to put it all back together if it's all going to come apart again?"²⁰⁷

By September 1991, the United States negotiators had made their final offer for the bases. The Philippine Senate then proceeded to vote down the extension of the leases. The last American Military personnel stationed in the Philippines left that country in November 1992.

The May 1992 election in the Philippines ended two decades of uncertainty over political pluralism. The election had seven different parties contending for the presidency, vice-presidency, and congressional posts. It was one of the most peaceful and fair elections in the Philippine post-independence period. Fidel Ramos, a graduate of West Point and presumably friendly to the United States, won the presidential election, but he received only 23.4 percent of the popular vote, which can scarcely to be considered a mandate from the Philippine people.

The Philippine government is now shifting its emphasis in foreign policy from the United States to its East Asian neighbors. The "special relationship" it had with the United States ended with the closure of American facilities on Philippine bases. The Ramos administration realizes that many of its problems can not be resolved with only domestic policy. President Ramos has visited five other East Asian countries in his first seven months in office. In the entire time as president, Corazon Aquino visited only four East Asian countries, all of which were members of ASEAN.

²⁰⁷ Pamela Fessler, "Mount Pinatubo May Reshape Debate Over Military Bases," *Congressional Quarterly*, June 29, 1991, p. 1771.

After almost an entire century of being under the political leadership of the United States, the Philippine government now insists on asserting itself in international relations without the United States. Former Philippine Foreign Affairs Secretary Raul Manglapus described the United States as a stumbling block to the Philippine's independent foreign policy initiatives. He said Washington and majority of the European governments even "discourage international foundations from extending support to it (Filipino independent foreign policy)."²⁰⁸ When the Ramos administration was assumed leadership, Roberto Romulo replaced Raul Manglapus as Foreign Affairs Secretary. One of Secretary Romulo's first statements concerning the United States was that the good days of Philippine-U.S. relations were over. He said the Philippines' interests are now with Japan which not only helps the Philippines but other Asian countries as well.²⁰⁹ President Ramos also called for stronger ties with Europe and Southeast Asia following the Philippines' departure from its old ally the United States.²¹⁰

Filipinos feel that with the Clinton Administration in office, political relations between the two countries have a more solid, yet independent future. Philippine Senator Orlando Mercado, the Senate chairman on national defense and security committee, stated that Philippine-U.S. relations "could see a rebirth of a new type of relationship between our countries based

²⁰⁸ "Manglapus: U.S. Blocking Diplomatic Initiatives," *Philippine Daily*, June 7, 1992, pp. 1, 13. Published in *FBIS East Asia Daily Report*, June 8, 1992, p. 42.

²⁰⁹ Rey Arquiza, "'Good Days' of Relations With U.S. Said 'Over,'" *Manila Broadcasting Company DZRH*, July 1, 1992. Translated and published in *FBIS East Asia Daily Report*, July 1, 1992, pp. 40-41.

²¹⁰ "Ramos on 'Significant Changes' in U.S. Ties," *Hong Kong AFP*, July 9, 1992. Published in *FBIS East Asia Daily Report*, July 9, 1992, pp. 25-26.

on post-military bases concerns; it may be easier to do that under a new leadership in the United States."²¹¹ In March 1993, President Ramos referred to the Philippine-U.S. relationship by saying: "Despite the enormous transformation that the world had undergone, the basic relationship between our two governments, countries, and peoples remains firm and cooperative."²¹²

The Philippine government does not believe that a bilateral mutual defense agreement is necessarily the best relationship in the post-Cold War era. Ramos would prefer a broader treaty of mutual cooperation. While on a visit to Singapore in March 1993, President Ramos stated publicly that: "the present approach to regional security is not military alliances, but sustained economic progress and political stability."²¹³

Filipinos do not want to make their security alliances with the United States the primary focus of U.S.-Philippine relations. Secretary Romulo said that Philippines is willing to renegotiate with the U.S. over a new treaty of friendship and cooperation but which will supersede security arrangements. He said the new treaty should concentrate on trade and economic matters. "The objective is to improve mutual relations on a complementary basis."²¹⁴

²¹¹ Ibid.

²¹² Bert Castro, "Ramos Wants 'High Level' Review of U.S. Ties," *The Manila Chronicle*, March 8, 1993, p. 1. Published in *FBIS East Asia Daily Report*, March 8, 1993, p. 43.

²¹³ "Comments on Ties, U.S. Asia Policy," *Singapore Broadcasting Corporation*, February 12, 1993. Published in *FBIS East Asia Daily Report*, February 16, 1993, p. 45.

²¹⁴ Carlito Pablo, "Manila Willing To Renegotiate Treaty With U.S.," *Malaya*, September 2, 1992, p. 3. Published in *FBIS East Asia Daily Report*, September 2, 1992, p. 30.

The Ramos administration is not willing to scrap the current security agreement with the United States. President Ramos has stated:

...it should be pointed out that the Mutual Defense Treaty, which lies at the core of security arrangements between the Philippines and the United States, cries for a new bracing breath of life. Framed and adopted at the height of the Cold War, when American and free world strategy was based on the idea of surrounding the Soviet empire with bases of military and economic strength, the Mutual Defense Treaty has now to be reexamined in the context of the post-Cold War era. Its concept, its thrust, and its scope have to be attuned to the realities of a world tormented by new conflicts and rivalries and faced with new trials and challenges.²¹⁵

Senior Philippine defense and military officials have said they support the Ramos administration's plan to review and amend the MDT to meet the "prevailing regional security situation."²¹⁶ Many Philippine officials feel there is a need to update the MDT because "it was formulated to combat communism in the region." After the Cold War ended, security officials believed there was a need to improve the existing bilateral security arrangements between Manila and Washington.²¹⁷

The Ramos administration does share the United States objectives of democratization and the protection of human rights. President Ramos said in a January 1993, letter to President Clinton:

²¹⁵ "Address by President Fidel V. Ramos at the Subic Bay Base Closure Ceremony," p. 38.

²¹⁶ Manny Mogato, "Military, Defense Officials Back MDT Review," *The Manila Chronicle*, November 11, 1992, p. 6. Published in *FBIS East Asia Daily Report*, November 12, 1992, pp. 47-48.

²¹⁷ *Ibid.*

We share likewise your commitment and support for a better world order where democratic values reign and where ideological conflicts are replaced by cooperative efforts for enduring peace and development...In behalf of the government and the Filipino people, I extend to you our heartfelt and warmest wishes as you assume the highest office of the nation whose single leadership in the world will greatly influence its course in the next millennium.²¹⁸

E. SINGAPOREAN POLITICAL CONCERNS

On May 9, 1965, Singapore separated from Malaysia and became its own nation-state. However, Singapore had been a self-governing state since 1959. Singapore has always had a one-party dominated political system and an authoritarian type government with a high level of social planning. The Singaporean press is censored and its people do not enjoy the right to freedom of speech. Singapore's economic success has, thus far, exceeded the people's need for political pluralism. It would be foolish for the United States to push for democracy and human rights and expect to keep on good terms with Singapore.

Singapore is linked with the United States by security, economic, and political bonds. The political ties though, are based less on a common ideologies, but more on common interests. Singapore views its relationship with the United States as based on the common interest of a commitment "to a world order in which the rule of law prevails and free trade creates prosperity all around."²¹⁹ Singaporeans see the U.S. as a benign power that has played the leading role in trying to bring about such a world order, not least in

²¹⁸ "Ramos Congratulates Clinton on Inauguration," *Philippine Daily Inquirer*, January 21, 1993, pp. 1, 9. Published in *FBIS East Asia Daily Report*, January 21, 1993, p. 50.

²¹⁹ "Enhancing an Old Friendship," p. 36.

East Asia. The ties between the two countries are based on a sense of continuity, heightened by the need to face the challenges of the post-Cold War world.²²⁰

An area where it is clear that the U.S. and Singapore separate on ideology is Singapore's view of nondemocratic regimes in the region. Singapore sees the non-ASEAN states in Indochina as having having great potential for extending the opportunity to develop trade and economic ties (Buszynshi, 1992: 833). This is by no means inconsistent with Singapore's stated interests. For the most part, developing trade and economic ties is Singapore's ideology.

Where the United States' ideology conflicts the most with Singapore's interests is the U.S. insistence on tying human rights and democracy issues to economic policy. Singaporean leaders do feel that an East Asian country can have a market economy and a nondemocratic polity. Lee Kuan Yew has said that it would be a mistake for the Clinton Administration to "make a strong push for democracy and human rights in Asia."²²¹ Lee said Indonesia and China could not be made to change overnight. "Mr. Clinton should not meddle with the situation by bringing in the politics of democracy and human rights and pressing it too hard."²²² Lee believes it is difficult for American policy makers to understand that East Asian governments operate under their own style of political/economic systems. Lee has stated:

²²⁰ Ibid.

²²¹ "Minister Cautions Clinton on Democracy Push," *Singapore Broadcasting Corporation*, January 19, 1993. Published in *FBIS East Asia Daily Report*, January 21, 1993, p. 36.

²²² Ibid.

The economy in China is, by and large, capitalist but the polity is not, as in the West, liberal democratic. To many Westerners, this is a contradiction... What is improper is to say that East Asia cannot have a model of its own, there being eventually a single universal pattern of economic and political development for all countries...it would be unfortunate if the West were to view the East Asian political economy as a threat to its power, much as communism was seen till recently.²²³

Singapore feels that the United States is making a grave error in pressuring China over human rights issues. The Singaporean government believes the pressure by the U.S. is creating instability in the region. Lee Kuan Yew has openly warned that this is an impending mistake of "historical proportions," saying it would have far-reaching implications for all Asian countries. Lee said if China's trading privileges with the United States were withdrawn, it would affect Hong Kong, Taiwan, Japan, Korea, and ASEAN. Without the Most Favored Nation (MFN) status, Lee believes that China would have less incentive to maintain peace in the region.²²⁴ Singapore is very relieved that in 1993, the Clinton Administration has extended MFN to China for another year.

Singapore's opinion is that the United State's policy towards China is wrong. Foreign Minister Wong Kan Seng said that the U.S. should not constantly push China over human rights issues and subject it to annual battles over MFN status.²²⁵ Singapore feels that China will be more stable and less aggressive if the United States were to enhance its economic ties with

²²³ "Let Asia Be Asia," p. 28.

²²⁴ Kawi Chongkitthawon, "Clinton To Emphasize Human Rights," *The Nation*, November 5, 1992, p. A6. Published in *FBIS East Asia Daily Report*, November 5, 1992, pp. 49-50.

²²⁵ "Minister Urges U.S. to 'Stay Engaged' in Asia," p. 19.

China regardless of China's internal problems. Defense Minister Dr. Yeo Ning Hong said:

...if China continued with her economic reforms and becomes further enmeshed in the international economy, the incentive for her to behave responsibly and preserve the world order would grow. This signals that China wants to concentrate on modernizing her economy. A stable and prosperous China, at peace and cooperating with its neighbors, will add to the momentum of growth in the region.²²⁶

Singaporean officials feel that President Clinton's human-rights stand on China is the biggest problems East Asia presently faces.²²⁷ They do not think that American policy makers understood that China would have "lost face" if its MFN status was revoked, or if China was forced to comply with humiliating conditions concerning its domestic policies.²²⁸ This loss of face will make China resentful and non-cooperative. A non-cooperative China may not be able to hit back economically, but it can do so in other ways, such as in the United Nations Security Council where it holds veto power.²²⁹

Singapore is dependent on the benign power of the United States, to maintain stability in the region. For this reason Singapore has strengthened its military and political ties with the United States. However, Singapore's national interests come into conflict with the U.S.' human rights policies. Singaporean policy makers do not share the American view that the

²²⁶ "Singapore Urges Continued U.S. Asian Military Presence," *Bernama*, December 1, 1992. Published in *FBIS East Asia Daily Report*, December 2, 1992, pp. 3-4.

²²⁷ Lee Kuan Yew, "United Nations May Be Paralyzed If Clinton Pushes Human Rights in China," *The Straits Times*, December 12, 1992, p. 34. Published in *FBIS East Asia Daily Report*, December 14, 1992, pp. 30-31.

²²⁸ *Ibid.*

²²⁹ *Ibid.*

nondemocratic regimes in the region should be isolated. They feel this runs counter to security and economic concerns in the region.

F. THAI POLITICAL CONCERNS

Thailand has spent much of its post-World War II history under military leadership. Thai Army commander-in-chief, Marshal Sarit Thanarat, became Prime Minister in 1957, and he declared martial law and ran the country as a dictator until 1963. He was succeeded by Marshal Thanom Kittikachorn, who continued to rule Thailand militarily. In October 1973, the Thai people revolted against Thanom and forced his administration into exile. Thailand was under civilian rule for only three years before the military overthrew it. The Thai military again declare martial law and annulled the Thai constitution. Thailand remained under a military government until 1988.

General Prem Tinsulanond was Prime Minister of Thailand from 1980 to 1988. During his reign, he progressed Thailand from a dictatorial society to a democratic one. General Prem voluntarily relinquished his power in 1988. Thailand held a presidential election and the party that Chatichai Choonhavan led received the most votes. Chatichai became Thailand's first civilian prime minister since 1976. The transition from Prem to Chatichai was smooth and without interference from the military. However, democracy in Thailand was not stable. Internal factionalism, corruption, and dissent undermined the government. The Chatichai regime was overthrown by the Thai military, led by General Suchinda Kraprayoon, in February 1991.

Elections were held in March 1992, in which the pro-military party, Samakkitham, won the majority of the votes. Narong Wongwan, the leader

of the Samakkitham party was named prime minister. However, he was not able to assume the post because it had been revealed in a press conference by U.S. officials that Narong had been denied a visa to enter the U.S. in 1991 due to his suspected ties with narcotics trafficking. Finally General Suchinda was nominated as prime minister. Public protests ensued from Thais who did not want the government to be run by military officials. The military used force to suppress these protests and many Thai civilians were killed, injured, or arrested. The King stepped in and ordered Suchinda and the military to end the violence and reconcile with the protesters. Suchinda was obligated to retire from politics.

A new election was conducted in September 1992. Two anti-Suchinda parties, the Democrat party and the New Aspiration party, won the most seats in the election. The leader of the Democrat party, Chuan Leekpai, was appointed as Thailand's prime minister.

Thailand does not feel it is necessary to have its alliances and defense arrangements with the United States strengthened. As mentioned previously, the Thai Foreign Ministry no longer believes Thailand is being threatened by its neighbors, and the end of the Cold War has made some Thai officials feel that the alliances with the United States may no longer be necessary. For this same reason, Thailand does not feel there is a need for a regional security pact either.

Thailand no longer views nondemocratic regimes in the region as threats to Thai interests. Thai officials also believe that isolating these regimes will not encourage them to open up politically and economically. In March 1993, Thai Foreign Minister Prasong Sunsiri told U.S. Pentagon officials that

Thailand would continue its policy of "constructive engagement" with Burma's military government in hopes of gradually influencing the regime. He said the measures imposed by the international community are hurting the Burmese people and not SLORC.²³⁰

Thailand, along with Singapore, sees the non-ASEAN states in Indochina as having great potential for extending the opportunity to develop trade and economic ties (Buszynshi, 1992: 833). Thailand is negotiating with Vietnam to establishing a joint commission to facilitate economic ties between the two countries, and Thailand is also having discussions with Laos over closer Thai-Laos cooperation. The Thais are working on their own relations with the Khmer Rouge in Cambodia without too much regard for the position of the United States.

Thai Foreign Ministry officials agree with Singaporean officials concerning the United States' policies towards China. The Thais feel that even if President Clinton takes a tougher stand on China, it will not cause the Chinese leaders to think twice before cracking down on pro-democracy citizens, and it would make China take a more aggressive stance in the region.²³¹ However, Thailand is not against the policy of promoting its own version of human rights and democracy. Foreign Minister Prasong Sunsiri told members of both the U.S. House of Representatives and the Senate that the Thai government attached importance to promoting democracy and

²³⁰ "Prasong Discusses U.S. Security Ties," *The Sunday Post*, March 14, 1993, p. 2. Published in *FBIS East Asia Daily Report*, March 16, 1993, p. 66.

²³¹ Kawi Chongkitthawon, "Clinton To Emphasize Human Rights," p. 49.

human rights and promoting good relations between the two countries.²³² Thai Foreign Ministry officials believe Thailand has a good record on human rights and democracy despite the political violence that occurred in May 1992, and they are confident that with the Chuan government will improve Thailand's image in the eyes of the Clinton Administration.²³³ Prime Minister Chuan has expressed his support for human rights policies. "The U.S. should continue its role in support of democratic development worldwide."²³⁴

Foreign Minister Prasong has said he does not foresee any problems with Thai-U.S. relations because the Chuan administration operates under a democratic system and, therefore, there should be no obstacles to working together to solve problems. He said he was confident that political relations between the two countries would be strengthened because Thailand is a democratic country.²³⁵ Following the 1992 U.S. Presidential election, Thai House Foreign Affairs Committee spokesman Sutham Saengprathum stated:

The (Thai) government's clear emphasis on issues such as human rights and child abuse will enhance Thailand's ties with the U.S. under President-elect Clinton because of his special interest in these areas... The committee believes good relations in both economic and social terms will continue under the Democratic president. This is because Mr. Clinton has given special attention to human rights, the environment and unfair trade practices.²³⁶

²³² "Meets U.S. House, Senate Members," *Bangkok Radio Thailand Network*, March 12, 1993. Translated and published in *FBIS East Asia Daily Report*, March 16, 1993, p. 65.

²³³ Kawi Chongkitthawon, "Clinton To Emphasize Human Rights," p. 50.

²³⁴ "Spokesman on Chuan's Expectations of Clinton," p. 55.

²³⁵ "Prasong Congratulates Clinton," p. 52.

²³⁶ "General Improvement in U.S. Relations Expected," *Bangkok Post*, November 12, 1992, p. 3. Published in *FBIS East Asia Daily Report*, November 12, 1992, p. 53.

Prime Minister Chuan expects the Clinton Administration to pursue close ties with Asia and the Pacific, support for democracy, domestic economic recovery and support for free trade. Chuan would like to see the United States maintain its close political, economic and military ties with countries in Asia and the Pacific.²³⁷

G. BURMESE POLITICAL CONCERNS

The State Law and Order Restoration Council was established in 1988 after the Burmese people revolted against the military in an attempt to secure political rights. Since gaining its independence from Britain in 1948, Burma has spent much of its time under military rule. Burma's first head of state was U Nu. His government was bureaucratically weak, which resulted in political and economical problems for the country. Burma was in such turmoil by 1958, that U Nu turned over the functioning of the government to the military. The Burmese military, under the leadership of General Ne Win, stabilized the country's economic and political problems. U Nu returned to leadership by 1960, but the country's problems returned under his leadership.

The current era of military rule in Burma began in March 1962, when General Ne Win led a military coup to oust the U Nu government. Ne Win felt that Burmese culture was not compatible with the West's systems of government, so he disbanded the Burmese government, outlawed all political parties, and repressed Burmese civil liberties. Ne Win centralized the government and socialized the economy. There was only one legal political party, called the Burma Socialist Program Party (BSPP). The BSPP

²³⁷ "Spokesman on Chuan's Expectations of Clinton," p. 55.

was controlled by the military and was formed to mobilize support for the Ne Win government.

In 1974, Burma adopted a socialist constitution that transformed Burma into the Socialist Republic of the Union of Burma. The military initiated this constitution to hand all of Burma's political power to the BSPP. The BSPP was used by the military as a means to legitimize its political domination of the country. Burma's repressive military government, socialist style economy, and isolationist foreign policy combined to retard the development of the country. Burmese citizens staged a massive demonstration in 1988 in protest of the military government's policies. The military brutally suppressed the revolt, which came to be known as the "Rangoon Spring." To restore order to the country, the military established the State Law and Order Restoration Council. SLORC consisted of generals who were loyal to Ne Win and were given the task of administering the state. Ne Win resigned as president in 1981, but remained chairman of the BSPP.

SLORC organized an election in May 1990, to select a legislative body for the People's Assembly. By this time SLORC had legalized political parties in Burma. However, if opposition parties criticized the military regime, or its policies, the opposition leaders were arrested and stripped of any civil liberties they might of had. SLORC enforced total censorship to control the election to ensure only candidates that supported the military regime would be elected. Unexpectedly, the opposition party, the National League for Democracy (NLD), won almost all of the seats in the election. As a result, the winner of the Nobel prize, Aung San Suu Kyi, emerged victorious, but the military

regime refuse to turn the government over the reins to the properly elected winners.

The military attempted to legitimize its continued direct rule of Burma by drafting a new constitution in 1992. A National Convention assembled in January and February 1993, to amend the constitution. The convention consisted of over six hundred delegates representing ethnic groups, political parties, and professional groups in Burma. The new constitution was similar to the 1974 constitution with the exception that socialism would not be mentioned; more than one party will be allowed; and the military will have the constitutional right to lead the Burma. The outcome of the National Convention was that the new constitution was not approved. The convention produced a written statement that said the people of Burma desire to build democracy, and military leadership of the country would not be in "harmony" with developing democratic principles.²³⁸

SLORC is changing its domestic policies with the intention of changing international perceptions of Burma. Burma's state of martial law, that began in July 1989, was ostensibly ended in September 1992. Also in 1992, Burma rejoined the Nonaligned Movement and signed the 1949 Geneva Convention. SLORC has agreed to admit U.N. officials into the country, but it continues to reject the U.N. over human rights violations.

At the July 1992 ASEAN meeting in Manila, U.S. Secretary of States, James Baker, requested ASEAN members to take a stand against human rights violations in Burma. Both Malaysia and Indonesia have criticized Burma for its abuses against Arakanese refugees, but these statements were inspired by

²³⁸ Bertil Lintner, "Conventional Wisdom," *Far Eastern Economic Review*, February 18, 1993, p. 20.

the fact these refugees are Muslim. ASEAN decided not to follow Baker's request, but to engage SLORC in a constructive dialogue concerning human rights.

Burmese leaders do not want the United States to play any political role in the region. The U.S. is SLORC's most vocal critic concerning human rights and democracy. SLORC does not want to submit to American views or values. Although Burma is breaking from its isolationism, it is far from seeking political integration with the rest of the region. Burma's opening up is not inspired by political reasons, but by economic concerns. These are the facts with which the American government must accord.

H. CAMBODIAN POLITICAL CONCERNS

Cambodia's political future is uncertain. The May 1993 election can not be expected to yield political stability in Cambodia. The factionalism in this country may serve as a source of instability that will undermine the elected government. It appears that the Khmer Rouge will be the greatest instigator of instability if it does not hold the leadership position. KR guerrillas have been very active in opposing UNTAC forces and will not cease their operations after the May election.

Regardless of which faction wins the majority of votes in the May election, insurgency will be the prominent problem facing the new government. The Cambodian government will not have reached a level of self-sufficiency that would enable it to put down insurgency. It will require huge amounts of aid from the international community.

The Cambodian government will require more than just military aid to suppress insurgency. It will need aid to rebuild its society if there is to be less impetus for insurgents. In October 1992, Prince Norodom Chakkrapong, Vice Chairman of the Council of Ministers of the State of Cambodia, received U.S. envoy Charles Twining. He told Twining that the SOC needs assistance from the U.S. in three areas: education, social and public health, and agriculture. These are the major sectors where Cambodia's progress and prosperity could be quickly promoted.²³⁹ Prince Norodom Sihanouk has called on the U.S. not to interfere in Cambodia's internal affairs, but he has asked the U.S. to devote attention to the restoration of Cambodia's economy.²⁴⁰ Different from his own son, Prince Sihanouk knows he needs U.S. support, but he still begrudges the United States for the coup that overthrew his government in 1970. Sihanouk, who is chairman of the SNC, has stated that he thinks the United States can play an important role in Cambodia, but he does not want interference in Cambodia's political affairs. "I wish the United States would avoid something like the happening in 1970 when President Nixon and his advisor Kissinger supported Lon Nol against Sihanouk."²⁴¹

Regardless of the election outcome, Cambodians will want a United States to join with others in providing support for the country. However, Phnom Penh will not be willing to submit to American views and will not want the

²³⁹ "Deputy Prime Minister Receives U.S. Envoy," *Samleng Pracheachon Kampuchea Radio Network*, October 30, 1992. Translated and published in *FBIS East Asia Daily Report*, November 3, 1992, p. 44.

²⁴⁰ "Meeting Between Sihanouk, U.S.'s Twining Noted," *Voice of the Great National Union front of Cambodia*, November 20, 1991. Translated and published in *FBIS East Asia Daily Report*, November 21, 1991, p. 39.

²⁴¹ "Sihanouk Meets With U.S. Representative 19 Nov," *Phnom Penh SPK*, November 20, 1991. Published in *FBIS East Asia Daily Report*, November 20, 1991, p. 48.

United States to provide leadership on matters affecting Cambodia's national interests. Cambodia will not be bound to the United States by political ties, but it may seek a multilateral defense arrangement because of Cambodia's vulnerability.

I. LAOTIAN POLITICAL CONCERNS

Laos was a colony of France from the late nineteenth century until the Laotians received their independence in 1954. During World War II Laos was occupied by the Japanese. After the Japanese were defeated, France reclaimed Laos as its colony. The French then encountered insurgency from a pro-communist, anti-French nationalist group called the Neo Lao Hak Sat (NLHS). The military arm of the NLHS was the Pathet Lao. After Laos gained its independence, there was much competition between the Pathet Lao and Laotian right-wing Royalist forces for control of the country. The United States sponsored a failed coup attempt against Lao Premier Souvanna Phouma. Washington believed Souvanna Phouma was too much of a neutralist and could not be depended on to take a stance against the Lao communists. After the coup attempt failed, the United States continued to give support to right-wing military officials and went so far as to back Souvanna Phouma after his policies opposed the NLHS.²⁴²

Laos became swept up in the Vietnam War, and the struggle between right and left wing forces in Laos became a higher priority for the United States. This led to further U.S. intervention in Laotian internal affairs. At the end of the war, a peace accord was signed that established a provisional government

²⁴²Clark D. Neher, *Southeast Asia in the New International Era*, p. 198.

in Laos that was divided between the Pathet Lao and Royalists. In 1975, the Pathet Lao gained complete control of the government and declared the establishment of the Lao People's Democratic Republic (LPDR). Vientiane then centralized the economy and stopped free market practices in the country. Laos also became an ally of the Soviet Union and Vietnam.

The ruling Lao People's Revolutionary Party's legitimacy is becoming increasingly unstable due to Laos's poor economic performance. The LPDR has recognized this and has made economic prosperity its major political concern. The Laotian government fears that what occurred in the Soviet Union and in Eastern Europe might happen in Laos. Vientiane is now seeking wider relations with the West, primarily for aid and investment purposes. Laos adopted a new constitution in 1991 that indicated that changes would be made in the centralized government. Thus far, changes have been made only in the economic ministries.

In July 1992, Laos signed the Bali Treaty, which enable the country to be granted "observer status" in ASEAN. Vientiane is seeking better relations with its neighbors to develop potential investors and sources of economic aid, because Laos no longer has the financial backing from the Soviet Union or Vietnam. Laos still receives aid from China, but it is not sufficient to meet Laotian economic requirements.

Although the United States had not had an ambassador to Laos since 1975, the U.S. had never broken relations with Vientiane. In August 1992, the American charge d'affaires to Laos was upgraded to an ambassadorship. The United States' primary interests in Laos have been stemming the opium trade and resolving Missing In Action (MIA) issues. Laotian leaders desire

increased trade, aid, and investment from the United States, but still fear America as the principle treat to the LPDR's continued rule (Johnson, 1993). Vientiane believes that the United States will attempt to undermine the Lao government by "peaceful evolution," but the LPDR realize that it will not get aid from the IMF and the World Bank unless the United States is accommodated.²⁴³ Americans must ask themselves if the time has come to change their stance towards Laos.

The LPDR welcomed the upgrading of diplomatic relations with the United States and is hopeful that it will lead to stronger bilateral ties. In August 1992, the Lao Chairman of the Supreme People's Assembly (SPA), Nouhak Phoumsavan, received the newly appointed U.S. ambassador to Laos, Charles Salmon. The SPA chairman said that the upgrading of diplomatic relations represents another step toward escalating and promoting the bilateral relations and cooperation between the two countries and their governments.²⁴⁴ Lao Party Secretary of the Vientiane Prefecture and Mayor of the city Oudom Khatthi-gna congratulated Ambassador Salmon for his appointment and hoped that during his diplomatic post the friendly relations between the two countries would further prosper for the benefits of Lao and Americans.²⁴⁵

Laos does remain wary of the United States' foreign policy intentions. Laotians feel the Americans have been using Southeast Asia as a

²⁴³ *Asia 1993 Yearbook*, p. 153.

²⁴⁴ "Assembly Chairman Receives U.S. Envoy," *Vitthayou Hengsat Radio Network*, August 29, 1992. Translated and published in *FBIS East Asia Daily Report*, August 31, 1992, p. 26.

²⁴⁵ "U.S. Envoy Meets With Vientiane Mayor," *Vientiane KPL*, September 5, 1992. Published in *FBIS East Asia Daily Report*, September 8, 1992, pp. 30-31.

"springboard" to defend the United States' national interests and to "suppress" the people of Laos, Vietnam, and Cambodia.²⁴⁶ They assert the United States has been trying to use ASEAN as a tool to implement American policy against the states of Indochina.²⁴⁷ Laos is also suspicious of the Clinton administration's motive behind its human rights policy. Laotians feel President Clinton puts more emphasis on the issues of democracy and human rights than his predecessor, and Clinton regards them as a bargaining chip in dealing with other governments.²⁴⁸

J. VIETNAMESE POLITICAL CONCERNS

Vietnam began the twentieth century as a colony of France. During World War II, the Japanese occupied Vietnam but the French continued in the administration of the country. After the Japanese surrender, the leader of the communist Vietminh, Ho Chi Minh, declared Vietnam's independence from France. However, France regained its rule of Vietnam until French military forces were defeated at Dien Bien Phu in 1954. The 1954 Geneva Agreement divided Vietnam at the 17th parallel to temporarily separate the Vietminh and French forces. Upon national elections the country was to be reunified, but an anti-Vietminh regime formed in the South that blocked the election and declared itself an independent country. After years of fighting that

²⁴⁶ "Southeast Asia—the Path to Establishment of Lasting Security," p. 41.

²⁴⁷ Ibid.

²⁴⁸ "Commentary Views Clinton's Election Victory," *Vientiane Vitthayou Hengsat Radio Network*, November 5, 1992. Translated and published in *FBIS East Asia Daily Report*, November 5, 1992, p. 41.

included U.S. intervention on the side of the South, the North defeated the South in 1975, reunifying the country as a communist state.

Vietnam has remained a communist state and is facing difficult economic times because the United States has placed an embargo on Vietnam. Vietnam has lost its economic and political support from China and its communist allies in Eastern Europe and the Soviet Union. The Vietnamese leaders realize that if they are going to retain power, they must pursue economic policies that are contradictory to their goal of maintaining Vietnam's socialism (Avery, 1993: 67).

The goal of Vietnam's foreign policy has changed from promoting international communism and isolating its society from Western influences, to maximizing good relations with any country, especially if it will benefit Vietnam economically. Vietnamese Foreign Minister Nguyen Manh Cam said the Vietnamese government's foreign policy aim is "to broaden its relations with all the countries in the world in service of peace and development in Vietnam, as well as of peace and stability in the region and elsewhere in the world."²⁴⁹ Foreign Minister Nguyen Manh Cam stated that Vietnam's new foreign policy of diversifying and multilateralising relations to be friends with all countries in the world community including the U.S., on the principles of respecting independence, sovereignty and territorial integrity and non-interference into internal affairs of each other.²⁵⁰

Vietnam's new foreign policy has paid particular attention to the members of ASEAN. It is using its withdrawal from Cambodia as a signal to the

²⁴⁹ "More on Nguyen Manh Cam-Baker Meeting," p. 28.

²⁵⁰ "Foreign Minister's Activities in U.S. Reported," *Hanoi VNA*, October 10, 1992. Published in *FBIS East Asia Daily Report*, October 16, 1992, p. 55.

ASEAN states that they should no longer view Vietnam as a threat, but as a country willing to cooperate with ASEAN to enhance regional stability.

Deputy Foreign Minister Tran Quang Co emphasized Vietnam's determination to contribute toward peace, stability, friendship, and cooperation in Southeast Asia. He said that Vietnam is ready to establish relations of friendship and cooperation with all countries in the region and the world, including the US, on the basis of respect for each other, equality, and mutual benefit.²⁵¹

In January 1993, the *Voice of Vietnam Network* broadcasted the following statement in reference to its relations with ASEAN:

...It is Vietnam's position to respect Cambodian sovereignty on the basis of respect for the sovereignty and security of nations. Vietnam wishes to see the return of peace and independence in Cambodia in order to meet the desire of the Cambodian people, and also the Vietnamese people, to live in peace and friendship.²⁵²

Premier Vo Van Kiet has stated that in pursuance of Vietnam's foreign policy of independence, sovereignty, diversification of relations and friendship with all countries, Vietnam has relations and strengthened its relations with the countries of ASEAN and Northern and Western Europe and Japan, and now wishes early normalization of relations with the U.S. in the interests of the two peoples and to regional peace and stability.²⁵³

²⁵¹ "Deputy Minister's Activities in U.S. Reported," *Voice of Vietnam Network*, May 27, 1992. Translated and published in *FBIS East Asia Daily Report*, June 2, 1992, p. 54.

²⁵² Tieu Lien, "No Preconditions for Normalization of U.S.-Vietnamese Relations," *Voice of Vietnam Network*, January 30, 1993. Translated and published in *FBIS East Asia Daily Report*, February 1, 1993, pp. 66-67.

²⁵³ "Vo Van Kiet Receives Former U.S. Officials," *Hanoi VNA*, March 21, 1992. Published in *FBIS East Asia Daily Report*, March 25, 1992, p. 35.

Vietnam further strengthened its ties with ASEAN by signing the Bali Treaty, which enable ASEAN to grant Vietnam "observer status." This is a significant step towards integrating Vietnam into the international community, but Vietnamese leaders still see the major obstacle to their foreign policy goal's as the United States' refusal to normalize diplomatic relations with Vietnam—or more importantly, lifting the trade embargo against Vietnam. Vietnam's First Deputy Prime Minister Phan Van Khai has stated:

Vietnam's policy vis-a-vis the United States is clear and consistent. Vietnam's foreign policy is an open-door policy aimed at establishing friendly relations with all countries in the world. The United States is a major power with an important role in the world. Vietnam is prepared to establish and maintain relations of equality, mutual respect, and mutual benefit with all countries.²⁵⁴

Phan Van Khai said that he believed President Clinton would "certainly continue to cooperate with Vietnam with regard to better resolving humanitarian problems and promoting the process of normalization with Vietnam."²⁵⁵ He also stressed the benefits the U.S. would gain by normalizing relations. "Vietnam maintains that the U.S. Government should soon change its decision, shake off the past, and lift the embargo in order to create favorable conditions for American investors to do business with Vietnam at a time when Vietnam's policy on economic cooperation is highly favorable to foreign investors."²⁵⁶

²⁵⁴ "Deputy Premier Comments on U.S. Ties," p. 55.

²⁵⁵ "Deputy Premier Proposes Normalization With U.S." *Hong Kong AFP*, November 5, 1992. Published in *FBIS East Asia Daily Report*, November 5, 1992, pp. 53-54.

²⁵⁶ "Phan Van Khai Meets U.S. Businessmen," p. 62.

Vietnam feels the MIA issue is the major obstacle to lifting the embargo and normalizing relations with the United States. Foreign Ministry spokeswoman Ho The Lan said: "...what we could do, we have already fulfilled."²⁵⁷ The spokeswoman has also said:

Vietnam acknowledged some positive steps taken by the U.S., including the reopening of telecommunications links with Vietnam, lifting restrictions on nongovernmental organizations' aid to Vietnam, and granting permission to private U.S. companies and organizations to export necessities to Vietnam. But these moves are few as compared with requirements of both countries and with Vietnam's own efforts.²⁵⁸

Vietnamese Party General Secretary Do Muoi has stated that in the past Vietnam has always shown its goodwill toward the United States. He said that in recent years, Vietnam has cooperated with the U.S. to solve humanitarian questions left behind by the war waged by the United States. However, there are still numerous obstacles to friendly relations between the U.S. and Vietnam imposed by the United States, the biggest of these concerns is the MIA issue. He stated that public opinion in both Vietnam and the U.S. supports the lifting of the United States' embargo against Vietnam and the normalization of U.S. relations with Vietnam is "in the interests of the two peoples and of peace, cooperation and development throughout the world."²⁵⁹

²⁵⁷ Anurat Maniphan and Phaisan Siricharatchanya, "VN Watching U.S. Election With Raised Hopes," *Bangkok Post*, October 27, 1992, p. 4. Published in *FBIS East Asia Daily Report*, October 27, 1992, pp. 65-66.

²⁵⁸ "Further on Relations With China, U.S.," *Voice of Vietnam*, July 3, 1992. Published in *FBIS East Asia Daily Report*, July 3, 1992, pp. 52-53.

²⁵⁹ "Hanoi Hails U.S. Presidential Envoy's Visit," *Voice of Vietnam*, February 7, 1992. Published in *FBIS East Asia Daily Report*, February 7, 1992, pp. 52-53.

Deputy Foreign Minister Le Mai said that the best, most constructive way for the United States to accelerate humanitarian cooperation with Vietnam would be to lift the trade embargo. As long as the embargo is there, he said, an atmosphere of hostility remains. He criticized the U.S. for preventing the ASEAN Support Group from helping Vietnam pay its debts to the IMF and World Bank, saying: "This action runs against conscience and is unacceptable."²⁶⁰

Premier Vo Van Kiet has said the Vietnamese government, prompted by its humanitarianism and responsibility for hundreds of thousands of Vietnamese families as well as families of Americans missing in action, has cooperated and is cooperating fully with the United States in solving MIA issues and other humanitarian questions left behind by the war. He stresses that the MIA issue has to be considered merely a humanitarian issue, and not be related to any political issues. Vo Van Kiet also feels that the early normalization of relations between the two countries will benefit the people of both countries, and conforms to peace and stability in the region.²⁶¹

However much Vietnam wants to normalize relations with the United States, it does not want to build an international environment predicated upon American values. Vietnam is leery of the United States because it has told Hanoi it should abandon communism and undertake political reforms if Vietnam truly wanted to normalize relations. The Vietnamese have also said that Washington's pursuit of the issue of accounting for U.S. MIAs had the

²⁶⁰ "Deputy Foreign Minister Views Solomon Visit," *Voice of Vietnam*, March 6, 1992. Published in *FBIS East Asia Daily Report*, March 9, 1992, p. 54.

²⁶¹ "Vo Van Kiet, Nguyen Manh Cam Receive Solarz," *Voice of Vietnam Network*, January 3, 1992. Translated and published in *FBIS East Asia Daily Report*, January 6, 1992, pp. 69-70.

ulterior motive of forcing Hanoi to abandon socialism.²⁶² The Vietnamese government interprets this as a strategy of "peaceful evolution," in which antisocialist forces with the targets being Vietnam, Laos, North Korea, and China.²⁶³

Vietnam does not want the United States to be the leader in encouraging cooperation in the region. In November 1992, a Vietnamese government spokesman said that Vietnam considers the U.S. policy of sanctions against Vietnam as:

...an action running against the world's common trend for peace, cooperation and peaceful settlement of disputes. U.S. policy tramples upon international law, independence and sovereignty of all nations and the right to free trade of all countries in the world.²⁶⁴

Hanoi feels that the United States' decision to extend its trade embargo against Vietnam shows a lack of goodwill and a move unsuitable to the present international situation.²⁶⁵ Vietnam feels this is an outdated policy emanating from a "hostile attitude" which runs counter to the interests of the people of Vietnam and the United States and does not conform to the trend of development of the situation in the world and region.²⁶⁶

²⁶² Ibid.

²⁶³ "The United States Plans To Set Up More Radio Stations Against Socialist Countries in Asia," *Voice of Vietnam Network*, September 19, 1992. Translated and published in *FBIS East Asia Daily Report*, September 30, 1992, pp. 36-37.

²⁶⁴ "Statement Deplores Tighter U.S. Embargo on Cuba," *Hanoi VNA*, November 2, 1992. Published in *FBIS East Asia Daily Report*, November 2, 1992, p. 53.

²⁶⁵ Duong Quang Minh, "Hanoi Criticizes U.S. Trade Embargo Decision," *Voice of Vietnam Network*, September 16, 1992. Translated and published in *FBIS East Asia Daily Report*, October 8, 1992, p. 38.

²⁶⁶ "Daily Urges U.S. To Lift Embargo 'Completely,'" *Hanoi VNA*, September 14, 1992. Published in *FBIS East Asia Daily Report*, September 14, 1992, pp. 51-52.

The Vietnamese government believes the United States' political objective is to maintain a single superpower world. The main course of the United States' strategy is to achieve its global supremacy through multilateral mechanisms, especially through the U.N. and other multilateral organizations such as the G-7 group, the World Bank, the IMF, and the like.²⁶⁷

The Vietnamese government does not share the United States' objectives of democratization and the protection of human rights. Vietnam feels the U.S. uses the tactic of condemning the governments of those remaining socialist countries for human rights violations to incite the masses to rise up to fight, using this as a pretext for external intervention to set up an administration under U.S. influence.²⁶⁸

It feels the U.S. Government is using human rights and the MIA issue as an excuse to maintain the trade embargo, to produce the effect of ruining the Vietnamese economy to overthrowing the Vietnamese administration and discarding its socialist path. Vietnam maintains that by maintaining the trade embargo, the United States is continuing to violate the Vietnamese people's human rights.²⁶⁹

²⁶⁷ Phan Doan Nam, "The United States With Its New Global Strategy," *Voice of Vietnam Network*, May 22, 1992. Translated and published in *FBIS East Asia Daily Report*, June 1, 1992, pp. 53-54.

²⁶⁸ Mai Nhat, "International Hostile Forces With Their Human Rights Slogan," *Voice of Vietnam Network*, September 13, 1992. Translated and published in *FBIS East Asia Daily Report*, September 17, 1992, pp. 38-39.

²⁶⁹ Ibid.

K. POLITICAL SUMMARY

This chapter shows that the United States political assumptions for Southeast Asia need further reevaluation in the post-Cold War era. U.S. military and economic influence in the region may still be substantial, but U.S. political influence in Southeast Asia may have lessened as a result of the end of the Cold War. Some of America's "friend's and allies" in the region state that they believe that security alliances are obsolete. This could prove detrimental to the U.S. strategy of strengthening and building security alliance in Southeast Asia.

Another major obstacle for United States policy in Southeast Asia may be human rights and democracy issues. East Asians state that their values are different from those of the West and it is not appropriate for the developed countries to apply their values on the developing countries. U.S. security policy makers must be very clear in defining when human rights and democracy issues abroad become threats to U.S. national interests.

V. WHERE DOES THE UNITED STATES GO FROM HERE?

As the United States changes its strategy from global to regional, so should it adapt its policy assumptions from global to regional. If the United States is to truly have an effective regional policy in East Asia, American policy makers should overcome their Cold War policy tendencies and formulate U.S. policy fit for the geopolitical situation in each region. This survey shows a single policy towards Southeast Asia is misguided. Each state in the region has its own interests, and American policies must be formulated with each individual state, one by one. For U.S. national security policy in Southeast Asia, policy makers should first define the "ends" they seek to accomplish in each region. Once the objectives have been defined, it must be implicit that the "ends" should never be subordinate to the "means."

In the post-Cold War period, American security policy makers must broadly define what the United States' national interests are in Southeast Asia, and formulate security policy to support, promote, and protect these interests. The fundamental part of all American national interests should be derived from the following: "to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty and prosperity for the United States."²⁷⁰ If U.S. policy makers define national interests that are something other than what is included in the above statement, then these

²⁷⁰ The Constitution of the United States.

new interests should be thoroughly examined to determine if they will encroach on other U.S. national interests.

For security policy purposes, national interests should not be subordinate to the "means" used to accomplish and protect them, nor for other domestic and international political gains. The intent of this chapter is not to identify each specific U.S. national interests in Southeast Asia, but to point out where Southeast Asian perceptions are different from what American policy makers believe them to be, and provide policy makers with information that could be used to effectively adjust for these differences to accomplish security policy goals in Southeast Asia.

A. BRUNEI

The United States' military policy assumptions are correct with reference to Brunei. The Bruneian government does feel that the United States' military presence in Southeast Asia is critical to maintaining stability in the region. Without the benign power of the United States to ensure stability in the region, Brunei's national interests could be in jeopardy. Due to its small size and relatively weak military, Brunei needs the United States to maintain a significant military presence in the region to provide a disincentive for any regional hegemon, thus averting the potential for a "power vacuum."

For Brunei, communism remains a threat in the region, but not for ideological reasons. The largest threat to Bruneian interests is Chinese expansionism in the South China Sea. China's form of government has been defined as communist by the international community. Therefore,

communist forces present a threat to Brunei. However, the form of government in China is irrelevant to the threat it poses to Bruneian interests.

American national security economic assumptions pertaining to Brunei need to be reevaluated. The United States economic involvement in Brunei does little to enhance the United States' influence with that country. America does not account for any significant portion of Brunei's exports, and only nine percent of its imports come from the United States. Brunei's economic ties to the United States are very thin.

As pointed out previously, Brunei has no democracy in its political system. However, it has the highest per capita income in Southeast Asia, and the needs of its people are well taken care of. This does not fit the American assumption that nondemocratic regimes are incompatible of sustained economic reform for the general welfare of its citizens.

Brunei does not conform to American policy makers' political assumptions either. Brunei is not bound to the United States by political ties, nor does it desire an alliance with the United States. If the Bruneian government is reluctant to join the FPDA because it is afraid of offending its neighbors, then it will most certainly not want to go out on a political limb by joining in a security agreement with the United States.

Due to the fact that Brunei has a nondemocratic regime, it is most unlikely that it would base its threat criteria solely on whether another country's political system is democratic or nondemocratic. It does not view nondemocratic regimes as threats, simply because these regimes do not have democracy. In this context, Brunei is not inclined to build an international environment conducive to American values. Also, the Bruneian

government does not share the United States objectives of democratization and the protection of human rights.

From the perspective of security policy making, it would not behoove the United States to push Brunei on democracy and human rights issues, as long as the lack of the Bruneian people's civil rights does not pose a threat to other American interests in the region. Pressing democracy and human rights issues as "ends" in themselves to U.S. security policy would do more harm to American security interests in the region than it would support them. Brunei's dependence on America maintaining stability in the region gives the United States influence and leverage with the government of Brunei. If, in the future, the United States defines nondemocratic regimes as threats to American security, then Brunei fits the description of a threat. The United States could easily lose its influence with Brunei, and its offer of access, if Americans become more of a threat to the Bruneian regime's legitimacy than regional military threats.

B. INDONESIA

The Indonesian government does believe that the United States' military presence in Southeast Asia is important to maintaining stability in the region. However, a dominant U.S. military presence in the region is not desired by Indonesian leaders. The Indonesian government feels that stability in the region will be more enhanced by an increase in U.S. economic involvement, not through an increase in U.S. military involvement.

For the Indonesian government, communists remain a threat in East Timor. The Timorese rebels are fighting for their independence and not for

the promotion of international "communism." Beyond East Timor, Indonesia sees little threat from "communism." However, Indonesians are concerned about a power vacuum in the region. This concern is not that a power vacuum might be formed if the the United States were to withdraw its military forces from the region, but that the other regional states' anxieties about a power vacuum could create instability in the region. Indonesian officials have reasoned that the United States should maintain some form of military presence in the region to alleviate fears of other countries in the region.

The United States' economic involvement in Southeast Asia does enhance the United States' influence in Indonesia. The United States is Indonesia's second largest export and import market. Although Japan is the leading foreign investor in Indonesia, U.S. investments in Indonesia are substantial.

Indonesia has extensive economic ties to the United States, but Indonesia is more bound to its economic ties with Japan. As stated previously, Japan is the leading foreign investor in Indonesia and holds over 75 percent of Indonesia's foreign debt. However, American security policy makers can use this situation to their advantage. Indonesian officials are hungry for foreign investment, but do not want to be reliant on Japan as the primary source of Indonesian foreign investment. Also, Indonesia feels that an increase in U.S. economic involvement in the region is a greater source of stability than a U.S. military presence.

Indonesia is an excellent case to illustrate how the United States should integrate its economic policy with its security policy. An increase in U.S.

economic involvement in Indonesia would make that country's national interests more aligned with those of the United States.' The more similar the two countries national interests are, the more inclined Indonesia will be to cooperate with the United States on security issues in the region.

The largest hindrances to U.S.-Indonesian political relations are the issues of human rights and democracy. For this reason Indonesia is not bound to the United States by political ties. Thus far, the U.S. reaction to the East Timor incident has had little effect on U.S.-Indonesian security ties. This was made evident by the fact that although the United States cut in military training assistance to Indonesia in protest of the Indonesian military's actions in East Timor, Indonesia continued to offer access to U.S. military forces.

Indonesia will not want a security alliance with the United States if the United States were to make such a proposal, and Indonesia does not openly state that it needs any defense arrangements with the United States. Indonesian officials are very specific in making it known that their offer of access to the United States is for commercial purposes only. However, this presents another opportunity for U.S. policy makers to integrate economic and security policies. The United States can further its endeavors to gain access for its military forces in Southeast Asia by contracting indigenous repair facilities and shipyards for the upkeep of deployed units.

It would not be consistent with Indonesia's political history for that country to view other regimes as threats simply because they are nondemocratic. Indonesia feels that it is unfair that developed countries apply Western democratic and human rights values on the developing countries. Thus, Indonesia does not want to build an international

environment conducive to American values, but build an environment that will promote the economic growth of the developing countries. This is also the reason the Indonesian government feels the United States should not be the leader in encouraging cooperation on matters affecting East Asian countries' national interests.

From a security perspective, unless the lack of American democratic and human rights values in Indonesia presents a threat to other U.S. interests in the region, democracy and human rights issues concerning Indonesia, in themselves, do not present a threat to U.S. security in Southeast Asia. Security policy makers must safeguard against making human rights and democracy issues into "means" to achieve some other "end."

C. MALAYSIA

The Malaysian government does not think that the U.S. military presence in Southeast Asia is critical to maintaining stability in the region. Malaysia supports a continued U.S. military presence, but Malaysian officials believe that other regional powers will not assert themselves if the U.S. presence was no longer there. From a Malaysian perspective, the threat of regional domination by communist forces no longer presents a threat to Southeast Asia. Therefore, Malaysia is not concerned about regional power vacuums.

The Malaysian government has stated it supports a U.S. military presence in the region, but Malaysians feel that this presence should not be a strong one. Instead, the Malaysian government desires the United States to broaden its regional presence economically. Malaysian officials have stated that regional security should not only be viewed upon from a military

perspective, but should also be linked to the economic development of the region.

The U.S. import market is important to Malaysia and does provide the United States with some influence. American investment in Malaysia is approximately one third of that of Japan's. However, Japan is reducing its investment in Malaysia. Although Malaysians do not want to become dependent on the financial institutions of developed countries, they are very hungry for foreign investment. From a security standpoint, if the United States were to increase its foreign investment in Malaysia, then the two countries' national interests would become more similar. The more similar economic interests of two countries are, the greater the likelihood that both countries' security interests will be similar.

The Malaysian government wants to strengthen bilateral cooperation with the United States, but Malaysian officials do not feel that formal agreements or alliances are necessary. Malaysians point out that the Cold War is over and their opinion is that conventional security pacts are now obsolete. Malaysia does not want to be bound to the United States, or any other Western country by political ties.

Malaysia will oppose any attempts to build a regional environment dominated by perceived American values. Prime Minister Mahathir believes that Western values are not suitable for East Asians and the region should be permitted to develop a value model of its own. It would be inconceivable to Malaysians that United States could be an effective leader in encouraging cooperation in the region when Americans do not fully understand the

values of East Asians. Malaysia does not share the United States objectives of promoting American styled democracy and human rights in Southeast Asia.

United States security policy makers should take advantage of the opportunity presented by the decrease of Japanese economic involvement in Malaysia. The Malaysian government will not conform to the American policy objectives of building and strengthening security alliances in East Asia. However, increasing U.S. economic involvement in Malaysia can contribute the American policy "end" of enhancing stability in the region.

D. THE PHILIPPINES

The Republic of the Philippines is the Southeast Asian country that best fits U.S. assumptions concerning security policy in the region. The Philippine government strongly supports a continued U.S. military presence in Southeast Asia, and feels it is critical to maintaining stability in the region. Although domination by "communism" does not present a threat to the region, insurgency does remain a threat for the Philippine government.

The Philippine government agrees that without a United States military presence there would be instability, or a "power vacuum," in the region. Also, the Philippines is the only Southeast Asian country that has overtly stated that the United States should play the role of "policeman" in the region. This is so because the Philippines is weak militarily and is dependent on the United States to provide for Philippine security.

Although the Philippine government is attempting to diversify its sources of trade, aid, and investment away from the United States and Japan. However, American economic involvement in the region continues to

provide the United States with influence in the Philippines. The Philippines sees the U.S. economy as having the most impact on the global and regional economies, and the Philippine government continues to encourage U.S. economic involvement in the republic.

As for the U.S. assumption that nondemocratic regimes are incompatible of sustained economic reform for the general welfare of its citizens, the Philippines is a case where a democratic regime is also seemingly incompatible with providing economic growth. It must be pointed out that the Marcos regime was democratic in name only, and the Aquino administration suffered problems created by the Marcos regime. This should provide American policy makers with a valuable lesson that Western style democracy alone can not overcome the indigenous problems of non-Western societies.

The goal of the Philippine government is to be less bound to the United States by political ties. Filipinos value the current security alliances they have with the United States, but they do not want these security alliances strengthened. Instead, the Philippine government wants these Cold War arrangements modified to meet the current regional situation, and promote mutual relations on a more equal basis. The Philippines wants its defense agreements with the United States adapted to protect Filipino interests in the South China Sea, and a large number of Filipino's feel the Philippines has been "getting the short end of the stick" when it comes to Philippine-U.S. relations.

The country that is the closest to sharing the American style of government and human rights values in Southeast Asia is the Philippines.

However, American policy makers should not assume that because the two countries share similar political ideologies, the Philippines will want the United States to be the leader in encouraging cooperation in the region. Filipinos are beginning to question the disadvantages of maintaining Western values, particularly when they compare the Philippines' economic progress to the economic successes of other countries in the region. This is not to imply that the Philippines will discard its avowed dedication to democratic government, but does suggest that the Philippine government might adopt policies more similar to those of its neighbors, and not want the United States to assume leadership on matters affecting Filipino and East Asian interests. American policy makers need to modify U.S. security policy to adapt to the evolving Philippine perceptions in the post-Cold War period.

E. SINGAPORE

The Singaporean government feels that the U.S. military presence in Southeast Asia is critical to maintaining stability in the region. For Singapore, the threat is not regional communism, but any antagonistic force in the region. When it comes to professing the dangers of "power vacuums," Singapore is the most vocal country in the region. Singaporean officials feel that it is most vital for stability in region that the United States maintain its security alliance with Japan.

Singapore has strong economic ties to the United States. America is Singapore's largest export market, and Singapore is the only ASEAN country where U.S. foreign investment exceeds that of Japan's. This economic involvement enhances the United States' influence in Singapore. The

republic is not only bound to the United States by security ties, but by economic ties as well.

If any country proves that nondemocratic regimes are capable of sustained economic reform for the general welfare of its citizens, it is Singapore. Singapore is a case where an authoritarian regime maintains its legitimacy through economic success and by providing for the needs of its people. Singaporean officials openly state that American democracy lacks the efficiency and the social discipline that a developing country needs to achieve economic take-off.

Singapore does not view nondemocratic regimes as threats simply because they lack democratic values. The Singaporean government does not believe that the American version of democracy is adequate in providing East Asian countries with political stability. Singapore believes that East Asians must have their own style of political and economic systems because Western values are not compatible with East Asian values.

Singapore does not want to build an international environment conducive to American values. The Singaporean government feels that the United States' imposition of its values on East Asian countries is doing nothing more than creating instability in the region. Singapore strongly disagrees with the U.S. policy of tying human rights and democracy issues to economic policy. It feels that the United States is doing great harm to regional security by economically and politically isolating countries that do not conform to American human rights and democratic standards. The Singaporean government does not feel the United States is correct in tying China's MFN privileges to its human rights record. They feel that if the

United States revoke's China's MFN, it will cause China to "lose face," and then China will have little incentive not to take aggressive action in the region. From a Singaporean perspective, this shows America's lack of understanding of East Asian societies, and greatly hampers the United States ability to be the leader in encouraging cooperation in the region.

If the United States were to apply its stated security policy of promoting democracy and human rights to all countries in East Asia with equal commitment, Singapore would surely become a target. American security policy makers must strongly consider the ramifications of applying a universal human rights policy to all the East Asian countries, regardless if they are "friends or allies." If the lack of democratic values in Singapore threatens other national interests in the region, then American policy makers then should take appropriate measures. However, Singapore's lack of democracy has, thus far, not presented a threat to American security interests in the region. The U.S. should not forfeit its security gains with Singapore simply to enforce a political agenda.

F. THAILAND

Thailand does not feel a U.S. military presence in Southeast Asia is critical to maintaining stability in the region. The Thai government supports a continued U.S. military presence in the region, but in the post-Cold War era, Thai security concerns require less contributions from U.S. security assets. Thai officials believe their country is no longer threatened by its communist neighbors. These countries' economies are in such poor condition that they can not afford to take aggressive actions in the region.

The Thai government has made it clear that it does not want U.S. military bases in Thailand. However, Thailand does want to continue military cooperation with the United States. Thais are not concerned with a power vacuum forming without the U.S. military presence, but they do rely on the United States for Thai military development and training.

The United States economic involvement in Thailand enhances the United States' influence with that country. America is Thailand's largest export market and although the United States is not Thailand's largest foreign investor, American investment in Thailand is significant.

Economic relations between the United States and Thailand have been strained because of issues such as intellectual property rights and pharmaceuticals. The tensions created by these issues have crossed over into the security realm. Thai officials have considered limiting U.S. military access to Thailand in response to U.S. pressure on trade issues. However, the Thai government will probably not take such action because it would further aggravate trade relations.

Thailand does not want its defense arrangements with the United States strengthened. Thai officials feel that the post-Cold War geopolitical situation has made security alliances unnecessary. The change in the regional situation has made Thailand less bound to the United States by political ties. Thailand no longer views nondemocratic regimes as security threats, reducing the significance of political and security ties with America.

The Thai government does not feel the United States is correct in pressuring China over human rights issues. Like the Singaporeans, Thais feel that this will have a destabilizing affect on the region. Thailand does feel

that human rights is an important issue and should be promoted throughout the region. However, the Thai version of human rights is much different from the American version. The values of the two societies are very different and Thailand has no desire to build an regional environment conducive to American values.

Thailand feels that U.S. security and political contributions to the region have diminished in importance in the post-Cold War era. For U.S. security policy makers, this means American influence in Thailand has diminished as a result of the Cold War ending. However, U.S. economic influence in Thailand has not decreased. This is the one area of relations the United States should place more emphasis on. The U.S. market still plays an important role in Thailand's economy. By increasing U.S. economic involvement in Thailand, both countries' national interests will become analogous. If two countries national interests are similar, then both countries will be more likely to cooperate on security issues.

G. BURMA

Burma does not fit any of the U.S. security policy makers assumptions concerning American military presence in Southeast Asia. The reason for this is that Burma is viewed as a potential threat to America's interests in the region and has been the target of U.S. security policy. The Burmese government sees the United States as the destabilizing force in the region because the United States possesses a threat to the survival of Burma's military regime.

The United States does play a role in the Burmese economy. Although the American market does not account for any of Burma's imports or exports, with the exception of drug exports, the United States is the leading foreign investor in Burma. This presents the United States with an opportunity to be a motivating force in opening up Burma's society.

Burma is a case where a nondemocratic regime is incompatible of sustained economic reform for the general welfare of its citizens, but Burma's poor economic performance can directly be attributed to its government's decisions to isolate its economy from the global economy. The Burmese government now knows that it must improve Burma's economy by breaking from its isolation.

The Burmese people continue to show assertiveness in attaining more political rights from the military government. The opposition to the latest military proposed constitution by the 1993 Burmese National Convention indicates that SLORC's grip on domestic politics is slipping. Burma is becoming less repressive of its people for economic, not political reasons. SLORC is attempting to improve its international image to attract trade, aid, and investment. American security policy makers must be aware that this is the most lucrative "means" to accomplish U.S. policy objectives in Burma. To pursue the "means" of isolating Burma economically and politically, would only contribute to the further repression of the Burmese people and give SLORC less incentive to reform its domestic policies.

H. CAMBODIA

Cambodia hopefully is on the verge of becoming a self-governing state and ending its civil war. It is presently the most unstable country in Southeast Asia. This instability not only effects U.S. interests in the region, but the interests of our friends and allies. Although it may not be in U.S. national interest to use unilateral military force to ensure that an elected Cambodian government stays in power, it is in U.S. interest to support international organizations in ensuring that an elected Cambodia government is installed and given a chance to succeed.

America can play an integral part in the rebuilding of the Cambodian society and assisting the elected government in attain a level of self-sufficiency. However, the United States must be cautious of imposing American values on the fledgling Cambodian government, so as to not appear to be interfering in Cambodian internal affairs. Individual American action would send signals not only to the other countries in the region, but also to the other factions in Cambodia that would be counterproductive to the process of establishing the legitimacy of the elected Cambodian government.

I. LAOS

Like Burma, Laos does not fit any of the U.S. security policy assumptions. Since the communist take over of Laos, it has been viewed as a threat to American interests in the region and has been the target of U.S. security policy. Unlike Burma, Laos has been more open to U.S. economic and political endeavors in Southeast Asia.

The Laotian government recognizes that its legitimacy is threatened by Laos's poor economic performance. The communist government is making every effort to improve the Laotian economy, to include adopting non-communist economy philosophies. Laotian officials are concerned that U.S. influence will undermine the communist party's rule, but they also realize that they must accommodate the U.S. government if they are to receive aid from international organizations. The United States must continue to assert its influence on the Laotian government, but U.S. policy makers must be careful not to go to far. A balanced approach must be implemented where Laos is continued to be brought into the regional and international fold, while at the same time not exerting so much influence on the Laotian government that it chooses to revert to isolationism for self-preservation.

J. VIETNAM

Vietnam has been the main target of U.S. security policy in Southeast Asia. During the Cold War, Vietnam was seen as a surrogate for the implementation of Soviet policy in Southeast Asia. Vietnam has been viewed as possessing the greatest potential for causing instability in the region. The communist government of Vietnam has been in dire straits since it has lost its political and economic support from the Soviet Union and Eastern Europe. Vietnam still maintains the largest armed forces in Southeast Asia, but the state of readiness of its military is suspect because the military's technical and supply support lines from its former allies have been severed.

Vietnam and ASEAN are now being drawn together by a common threat from Chinese adventurism in the South China Sea. ASEAN's economic success has given Vietnam further impetus to better relations with its ASEAN neighbors. Vietnamese officials apparently have changed their goals of subregional domination to making Vietnam an economic success.

The largest obstacle to Vietnam's economic recovery is the U.S. trade embargo imposed on Vietnam. America's friends and allies in East Asia and the rest of the world have been forgoing this embargo in the post-Cold War era. This is gradually lessening the political effectiveness of the U.S. embargo. The impression one gets from Washington is that the main impediment to lifting the embargo and normalizing relations with Vietnam is the MIA issue. It should be pointed out that the United States also has unresolved MIA cases with Laos, yet the United States has normalized relations and has no trade embargo with Laos. It should also be pointed out that the MIA issue is a very emotional issue with many Americans and remains a political "hot potato" in Washington.

U.S. security policy makers must reevaluate America's policy objectives towards Vietnam because the situation in Southeast Asia has dramatically changed since the fall of the Soviet Union and the Communist regimes in Eastern Europe. Specific attention must be paid to the policy of isolating Vietnam. The question that should be asked is: does American policy towards Vietnam in the post-Cold War era meet the national interests of United States? Specifically, isolating Vietnam may actually be detrimental to post-Cold War security interests in Southeast Asia. The Vietnamese government may be less likely to threaten U.S. interests, and more likely to

cooperate with the United States in Southeast Asia if both countries begin sharing common economic interests in the region.

K. SOUTHEAST ASIAN POLICY

Post-Cold War U.S. security policy documents stress that in modern history no democratic governments have ever gone to war with each other. This may be true, but it should not be assumed that democratic governments will never resort to using military force against each other in the future. A more sound policy assumption is: a government will be more reluctant to use military force against another government with which it shares common national interests.

In the post-Cold War era, all of the Southeast Asian states have declared that economic success is their number one priority. Southeast Asia already is one of the most economically successful regions in the world. This region-wide concentration on economic prosperity should be of interest to U.S. policy makers, because it is making the national interests of individual Southeast Asian countries more aligned with each other. American security policy makers should focus on this aspect of regional concerns to implement U.S. policy in the region. Bringing the non-ASEAN states into the Southeast Asian economic design will do more for regional stability than overthrowing the remaining communist governments in the region. The post-Cold War trend in Southeast Asia of placing economic concerns above all others should indicate to American security policy makers that the United States should place more emphasis on economic involvement in the region, and less

emphasis on a dominant military presence and the consideration of forming security alliances within the region.

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